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AMERICAN BANKERS ASSOCIATION

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JULY, 1914—JUNE, 1915

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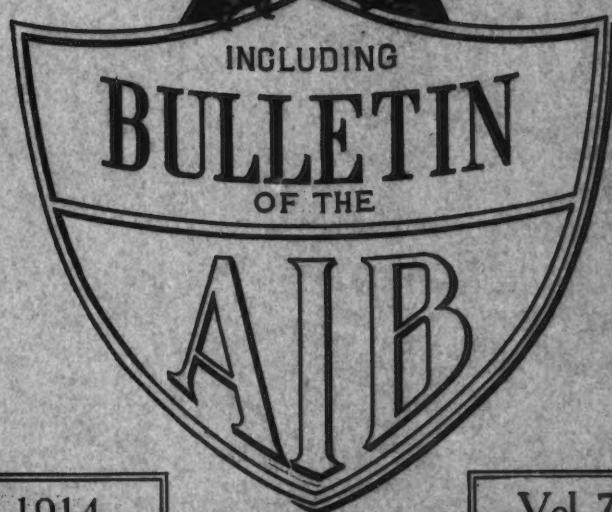


JOURNAL

OF THE

AMERICAN
FEDERATION

ASSOCIATION



July, 1914

Vol. 7 No. 1

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THE ASSOCIATION

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FRED. E. FARNSWORTH, PUBLISHER,
General Secretary American Bankers Association.

THOMAS B. PATON, EDITOR,
General Counsel American Bankers Association.

W. W. WAINE, ASSOCIATE EDITOR.

VOL. 7

JULY, 1914

No. 1

OFFICERS AMERICAN BANKERS ASSOCIATION, 1913-1914.

PRESIDENT:
ARTHUR REYNOLDS, Pres. Des Moines National Bank,
Des Moines, Ia.

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Galveston, Texas.

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GENERAL COUNSEL:

GENERAL SECRETARY:
FRED. E. FARNSWORTH, 5 Nassau Street, New York City.

MANAGER PROTECTIVE DEPARTMENT:
L. W. GAMMON, 5 Nassau Street, New York City.

THE PACIFIC COAST CONVENTIONS.

WITH each succeeding year, the various State Bankers Associations (all of which hold annual conventions) report their various State Associations in a more prosperous condition; increased attendance at the meetings; a larger membership and very hearty co-operation.

It is the policy of the officers of the American Bankers Association, as far as possible, to visit the many State Associations.

This past month, President Reynolds has attended conventions in the States of Iowa, Minnesota, Michigan, Ohio and Pennsylvania, and he emphasizes the statements just made—as to the importance of the State Associations in their work, he having addressed these conventions on each occasion.

General Secretary Farnsworth has just returned from a Western trip, having visited the States of Missouri, Kansas, California, Washington, Idaho, Utah and Colorado.

The total registration at these State Conventions was about 4,200; the business sessions in every case were large, most of the delegates present and giving strict attention to business; listening eagerly to all speakers and taking part in the debates. The spirit of co-operation was universal; the best of feeling always prevailed, and in these Western States there was an optimistic feeling superinduced by the prospect of abundant crops and generally good conditions in agricultural pursuits, stock raising and mining, which is characteristic of that country.

In the addresses and discussions at these various State meetings interest in the Federal Reserve Act and the probable working out of this system was paramount. Many addresses were made on this subject. Agriculture, vocational education and good

roads also received a large share of attention; and other papers of public interest in specific cases like immigration, irrigation, legislation, insurance, farm ownership, and mining, as well as many other topics received their fair share of consideration.

At most of the conventions the speakers enlarged upon the importance of the banker taking an interest in politics that better men might be selected for the various offices, and particularly in the governing bodies of the state and nation; not to confine their interests and activities to party lines, but to select the best men regardless of party affiliations. These sentiments were vigorously applauded.

The entertainment was lavish, the hospitality unbounded, for these Western States do not take second place to any section of the United States when it comes to true hospitality.

The development of new communities and vast farms is amazing, and especially in the districts where a few years ago there were only barren wastes of cacti and sage brush deserts. These are now made to "bloom like the rose."

A visit to Salt Lake City by the General Secretary developed the fact that Salt Lake City has a claim in the near future to a visit from the American Bankers Association with one of its annual conventions. Salt Lake City extended an invitation at our Boston Convention, and at that time it was not supposed the city had facilities for accommodating a large convention. This was an error. There are few cities of five times the size of Salt Lake City that possess as many good hotels, and one hotel—the Hotel Utah—is not surpassed in the land.

The city is ideally located with a climate unexcelled, broad streets and avenues, fine public buildings and has a hospitable, energetic and enterprising population.

THE RICHMOND CONVENTION.

THE bankers of Richmond are now thoroughly organized into various committees with authority to arrange the details for the convention which will be held in that city the week of October 12th.

The Entertainment Committee is not yet prepared to announce the entertainment features which have been approved by the Administrative Committee of our Association. Among these features most likely will be automobile rides, concert, theater, a ball and a boat trip down the historic James River.

The well-known hospitality of the people of Richmond is a guarantee that there will be abundant entertainment and that it will be well handled.

The days assigned for the business sessions of the convention have been agreed upon by the Administrative Committee and are as follows:

Monday, October 12th, Morning—Committee Meetings.

Afternoon—Executive Council Meeting.

Tuesday, October 13th—Section Meetings.

Wednesday and Thursday, October 14th and 15th—General Convention.

Following the adjournment of the convention on Thursday there will be a meeting of the Executive Council for the purpose of organization and attention to such matters as may be presented. If necessary this meeting will be continued on Friday.

Friday, October 16th—Entertainment.

The Hotel Committee reports that while there has been quite a large number of reservations made (in fact, as many as is the rule at this season of the year) there still remains plenty of good hotel accommodations, as Richmond has four first-class hotels.

The Jefferson was selected as the headquarters hotel, but as it is not a large one, accommodations at The Jefferson were all engaged many months ago. About fifteen hundred people have already applied for accommodations for the convention period; and it would be desirable for those who expect to attend the Richmond Convention—and have not secured accommodations—to write at once to Thomas B. McAdams, Chairman, Hotel Committee, care of Merchants National Bank, Richmond, Va.

ADMINISTRATIVE COMMITTEE MEETING.

THE Administrative Committee of the American Bankers Association met in New York City on June 29th.

The Committee, as is its custom, reviewed in a general way the work of the Association, membership and the financial statements which were submitted.

The Entertainment Committee of Richmond bankers submitted a tentative program of entertainment for the coming Richmond Convention, which was practically approved; it being arranged that there shall be no entertainment prepared which will interfere with the business of the convention.

The business sessions of the convention will be arranged as they were at Boston, beginning with Committee meetings on Monday, October 12th.

The Committee again considered the matter of speakers and authorized the issuance of invitations to prominent men in public life whom it is desired to have address the convention.

TWO pamphlets are available upon request from the Library. They are "The Legal Status of the Clearing House," by Carl Meyer, and "Safeguarding Commercial Paper," by Ralph Van Vechten, Vice-President of the Continental and Commercial National Bank, Chicago.

THE CONVENTION OF NINETEEN-FIFTEEN.

It is generally conceded that it would be desirable for the American Bankers Association to hold its 1915 Convention on the Pacific Coast, so that bankers and their families desiring to visit the Panama-Pacific Exposition and the Coast Cities can do so after attending the convention.

San Francisco, some two or three years ago, extended an invitation for 1915; as did also Seattle.

Were it possible for the hotels of San Francisco to furnish, during the convention period, suitable accommodations for the bankers, there still arises the question as to whether or not it would be desirable to hold our convention in San Francisco at the time of their Exposition (former experiences in holding conventions in cities at the time of World's Expositions, etc., have proved the latter to be too great an attraction to delegates, and the conventions have been poorly attended).

The visit of General Secretary Farnsworth to the Pacific Coast, attending seven State Association Conventions en route, enabled him to look into the fact of the accommodations offered by these Coast Cities.

The bankers of San Francisco are very cordial in their invitation to entertain the American Bankers Association in 1915, but the principal hotels would not make any pledges that at any specified time would they be willing to set aside some 1,200 to 1,500 rooms for the use of bankers who might visit the Coast.

The latest advices, however, from the Pacific Coast, and which have come through press notices, state that while San Francisco bankers and the Exposition have a priority claim by invitation to the convention, that they will not press this invitation, inasmuch as Seattle desires to be the host next year. "San Francisco believes in living in harmony with all the other cities on the Coast, and if Seattle wants the convention, San Francisco is willing to lend its assistance to the northern city in order to help that city secure it."

The city of Seattle is one of the wonders of the great West, in its rapid growth, progressiveness and enterprise. It is the terminus of many of the trunk lines to the far West and has shipping facilities that are unsurpassed.

The General Secretary's investigation developed the fact that Seattle is well supplied with hotel accommodations, several of which are of good class, with ample room to take care of any number that might desire to go; and especially those who would not want what might be termed the first class and highest-priced accommodations.

The city is very enthusiastic in its wish to entertain the American Bankers Association; and should the Association decide on Seattle, there will be nothing left to desire in the way of the warmest hospitality, the best of entertainment and the glad hand of fellowship.

At the last Spring Meeting of the Executive Council an invitation was received from the bankers of Honolulu to hold our 1915 Convention on the beautiful Island of Oahu. Of course it would be impracticable for the entire Association to visit Oahu, but no doubt if our 1915 Convention is held on the Pacific Coast, quite a large number of bankers would take the trip to Honolulu.

STATE CONVENTIONS IN 1915.

THE Oklahoma Bankers' Association will hold its annual convention in 1915 on Thursday and Friday, May 13th and 14th. These dates have been selected to fit in with the Kansas convention on Tuesday and Wednesday of the same week, the Texas convention in the following week, and the Missouri convention which follows the Texas meeting. In other words, the secretaries of these associations have united on a schedule that is agreeable to all of them.

CIPHER CODE OF 1914.

THE attention of members is again called to the fact that the new Code became operative on May 15, 1914. Those who have not made a study of the Code and the information sent under separate cover, relating to the Key to the Test-Word in the Code, are respectfully urged to do so.

Under "NUMERALS OR DOLLARS" there are three columns of figures and only two columns of words. The paragraph in italics appearing on page viii of the Code shows clearly that each and every Code word has a number, and states the reason therefor. The center column of figures, however, which are in black-faced type, is to be used for numerals or dollars, as the case may be, and therefore the figures appearing directly to the left of each and every Code word CANNOT be used for the purpose of conveying figures representing numerals or dollars.

THE TEST-WORD IS NOT TO BE TRANSLATED.

No confusion can possibly exist if the members use the Test-Word and do not translate it. (See phrase matter for Code Word No. 4012.)

If members desire additional copies of the Code for their own use, they may be secured at \$1 each.

If the special letter referring to the Code containing the Key to the Test-Word has not been received, the General Secretary should be notified. Before doing so, a careful investigation should be made, for this circular and key was forwarded to every member, the envelopes being addressed from the Addressograph.

A few of our members have not signed the card under the front cover of the Code acknowledging its receipt, and they are requested to do so and forward the same to the office of the Association. Those who have not returned the Cipher Code of 1908 (bound in blue cloth) should do so promptly. It is our wish to have these Codes returned for cancellation, and we respectfully ask that members comply with this request.

Members desiring to print on their letter-heads or other stationery, "A. B. A. Code Used" or "American Bankers Association Code Used," may do so, as per authority granted by the Executive Council meeting recently held at Hot Springs.

MEETING OF BANK CREDIT MEN.

SUGGESTIONS have been made at various times looking to the establishment of a Central Credit Bureau, or the organization of the Bank Credit Men of the Country for closer co-operation and the formulating of rules concerning the purchase and sale of commercial paper; the investigation of credits, note brokers and chartered accountants.

The undersigned, members of the Executive Council of the American Bankers Association, believe that the changes in banking methods and forms of credit sure to result under the Federal Reserve System, justify such an organization at this time, and that co-operation of the credit men of the paper-buying banks can accomplish much good, even if a Central Credit Bureau appears impractical at this time.

The influence which such an organization could bring to bear on borrowers and brokers would have much effect in raising the standard of commercial paper.

We therefore request that all banks who are purchasers of commercial paper, or are otherwise interested, be represented at a meeting to be held at the Jefferson Hotel, Richmond, Va., during the annual convention of the American Bankers Association in October, 1914. Notice of day and hour of meeting will be announced later.

Will you please advise the undersigned if your bank will be represented at the meeting and oblige. E. M. Wing, Vice-President Batavian National Bank, La Crosse, Wis.; O. J. Sands, President American National Bank, Richmond, Va.; E. S. Kennard, Cashier Rumford National Bank, Rumford, Me.

REGISTRATION AT OFFICES.

THE following visitors registered at the Association offices during the month of June:

- Beal, Thomas P., Jr., Vice-President Second National Bank, Boston, Mass.
- Bennett, Walter H., Vice-President American Exchange National Bank, New York City.
- Edwards, Geo. E., President Dollar Savings Bank, New York City.
- Ferguson, Miss Lucile W., New York City.
- Fitzhugh, Arthur A., Jamaica, Long Island, N. Y.
- Greaves, John H., New York City.
- Kingston, S. R., Assistant Cashier National Bank of Commerce, Detroit, Mich.
- Kramer, Miss Elizabeth, Kansas City, Mo.
- Litschgi, A. W., Chairman Board of Directors Citizens Bank, Charleston, S. C.
- Littman, Miss Lydia, Assistant Secretary Texas Bankers' Association, Galveston, Tex.
- Littman, Mrs. L., Austin, Tex.
- Littman, Miss Jeannette, Austin, Tex.
- McKerracher, J. E., Schenectady, N. Y.
- Malmer, E. S., Assistant Cashier Corn Exchange Bank, New York City.
- Manson, John T., President Yale National Bank, New Haven, Conn.
- Matteson, H. D., Secretary and Treasurer, Northern New York Trust Company, Watertown, N. Y.
- Ottley, John K., Vice-President Fourth National Bank, Atlanta, Ga.
- Reynolds, Arthur, President Des Moines National Bank and President American Bankers Association, Des Moines, Iowa.
- Roberts, Wm. H., Jr., Vice-President Fairmount Savings Trust Company, Philadelphia, Pa.
- Thomas, Tysilis, New York City.
- Tremont, R. H., President Tompkins County National Bank, Ithaca, N. Y.
- Walters, R. J., Secretary and Treasurer Huguenot Trust Company, New Rochelle, N. Y.

READ THE SAVINGS BANK SECTION'S PAGES THIS MONTH.

THE attention of our members is directed to the special announcement of the Savings Bank Section in this issue. This Section numbers among its membership not merely savings banks, but all classes of financial institutions which conduct savings departments; hence its work is approached in the broad spirit of serving all member banks by assisting in developing the savings business generally, and certainly none of its effects has exceeded in novelty and effectiveness the one it now brings to our attention, namely, the adaptation of motion pictures to teaching thrift.

The Savings Bank Section has been quietly conducting a campaign of education in Thrift throughout the country for the past two years or more, and one has but to compare the prominence of the subject of Thrift prior to the beginning of this campaign and now to determine how effective this work has been.

We bespeak for this Section the hearty co-operation of all members conducting savings departments in this latest feature of its work, which has been made possible only through a large expenditure of thought and labor.

TENNESSEE BANKERS' ASSOCIATION.

THE following officers were elected at the recent convention of the Tennessee Bankers' Association: President—P. D. Houston, Vice-President of the Fourth & First National Bank, Nashville; Vice-Presidents—W. N. Magill, President of the Bank of Madisonville; S. S. McConnell, Assistant Cashier of the People's Bank of Lewisburg; R. L. Goolsby, President of the Greenfield Bank; Secretary—F. M. Mayfield, Nashville (re-elected); Treasurer—W. H. Featherston, Cashier of the First National Bank of Franklin County, Decherd.

TRUST COMPANY SECTION



OFFICERS, 1913-1914.

PRESIDENT: F. H. GOFF, President Cleveland Trust Co., Cleveland, Ohio.

CHAIRMAN EXECUTIVE COMMITTEE: JOHN H. MASON, Vice-Pres. Commercial Trust Co., Philadelphia, Pa.

FIRST VICE-PRESIDENT: RALPH W. CUTLER, President Hartford Trust Co., Hartford, Conn.

SECRETARY: PHILIP S. BABCOCK, 5 Nassau Street, New York City.

Report submitted at the last meeting of the Executive Committee of the Section by Mr. John H. Mason, Vice-President of the Commercial Trust Company, Philadelphia, Pa., on behalf of himself and Mr. A. J. Hemphill, President of the Guaranty Trust Company, New York City, as a Committee appointed to consider the Collection Features of the Income Tax Section of the Present Tariff Bill.

THE Income Tax section of the Tariff Bill, due mainly to the collection at the source requirement, has proven most burdensome to the Trust Companies of the United States.

Under the provisions of the Act the paying company, in a certain sense, becomes the collector of the tax for the Government. It receives absolutely no compensation for its services and, in fact, is not reimbursed for the actual expenditures incurred as a tax collector. To my mind this is a markedly unfair requirement. I do not think the framers of the Income Tax section ever dreamed that the Rules and Regulations would require no less than twenty-two forms of certificates of ownership, and many of them seemed so unnecessary that Mr. A. J. Hemphill, the President of the Guaranty Trust Company of New York, and the Chairman of the Executive Committee of the Trust Company Section, urged upon the

Department that it withdraw most of the certificates issued, and modify and simplify the others. Recently, the Department has issued a set of revised certificates reducing the number from twenty-two to ten, and the new forms are undoubtedly a vast improvement upon the old.

On behalf of the Trust Company Section of The American Bankers Association, I submitted to the Department a certificate of ownership, which is reproduced, herewith, and contend that it met every requirement of the Income Tax Law as well as the points covered by the Rules and Regulations issued by the Internal Revenue Department. The Trust Company Section has submitted it to many bankers throughout the country and it has received nearly universal approval and I regret exceedingly that the Department did not see its way clear, although I will admit it made a great advance, to adopt this single form instead of ten revised forms. The certificate submitted on behalf of the Trust Company Section I think would be improved by adopting the suggestion that one form, covering the claim for exemption, be printed on white paper, whilst another, where exemption is not claimed, be printed on blue paper.

Although I fear there will be no change in the immediate future in the position taken by the Internal Revenue Department, I hope that ere long the single form of certificate of ownership will be adopted by the Government.

Certificate of Ownership.

Total Par Value	Description of Security	Income Payable Date	Amount
\$			\$

Exemption (IS) (IS NOT) Claimed for \$ _____

under Paragraph C, Section II, of Federal Income Tax Law, Total Exemption \$3,000.
\$4,000., or because Security is owned
by _____

Owner _____

Agent or Fiduciary _____

Address _____ STREET AND NUMBER _____

CITY AND STATE _____

Date _____



SAVINGS BANK SECTION

OFFICERS, 1913-1914.

PRESIDENT: J. F. SARTORI, President Security Trust & Savings Bank, Los Angeles, Cal.	CHAIRMAN EXECUTIVE COMMITTEE: N. F. HAWLEY, Treasurer Farmers & Mechanics Savings Bank, Minneapolis, Minn.
FIRST VICE-PRESIDENT: W. E. KNOX, Comptroller Bowery Savings Bank, New York City.	SECRETARY: E. G. McWILLIAM, 5 Nassau Street, New York City.

OF INTEREST TO ALL MEMBERS OF THE AMERICAN BANKERS ASSOCIATION WHO RECEIVE SAVINGS DEPOSITS.

THE following circular has recently been mailed to all members of the Savings Bank Section and is reprinted here in order that all members of the American Bankers Association who conduct a savings business, whether registered in this Section or not, may take advantage of this effort. The Secretary of the Savings Bank Section will be glad to co-operate with any member bank to that end.

Motion Pictures Adapted to Teaching Thrift.

In co-operation with the Savings Bank Section, American Bankers Association, the Vitagraph Company of America has produced a two-reel picture play, entitled "The Reward of Thrift," which will be released through the General Film Company of New York and its branches, September 15th.

Synopsis of the Play.

The play portrays the fortunes of a thrifty structural iron worker and his wife and little daughter, and how thrift during prosperity tides over adversity. There is a "bad man," too, who is finally converted to thrift by the hero, despite the fact this man once attempted the hero's life.

Actual scenes of work on a steel-framed skyscraper and in caissons under compressed air are shown, as well as actual scenes in the school savings bank, the real savings bank, where a forger is arrested by means of the fingerprint method of identification, and the building and loan association, all presented in a dramatic setting which grips the attention and leaves the desired impression.

Good Publicity for Banks.

It is suggested that banks, individually or collectively, enter into close co-operation with motion picture exhibitors in their respective communities to secure the production of this play immediately after release. This undoubtedly may be accomplished in the following manner:

First: Make arrangements with a motion picture exhibitor in your town to secure through the General Film Company of New York a booking of this play as soon after release as possible. If difficulty is experienced in this, write G. L. Harrington, Circulation Manager, Motion Picture Magazine, 175 Duffield Street, Brooklyn, N. Y., who may be of assistance.

Second: Notify depositors and general public of date when and theatre where play may be seen, at same time urging all to see it.

Third: Furnish exhibitor with preliminary announcement in form of slide to be shown at exhibitions prior to release of play. (See illustration.)

Fourth: In consideration of above, have exhibitor show a slide advertising the bank, or banks, immediately following each exhibition of the play. (See illustration.)

Appropriate Printed Matter.

The Motion Picture Magazine has agreed to designate its October number, which will be on sale September 15th, "Thrift Number" and will print therein a complete story of the play. This number will be furnished with "Compliments of the Bank" printed thereon, in lots of 50 or more, mail or express prepaid, at 9½ cents per copy, and when it is considered that at least five people read each copy of this magazine, no better piece of publicity could be suggested for this purpose.

The Motion Picture Magazine has also agreed to circularize 12,000 theatres and send preliminary slides to 2,000 theatres to create interest upon the part of the exhibitors and urge them to co-operate with the banks, which, coupled with the normal circulation of this magazine, which is 260,000, will give our play tremendous publicity.

Information Regarding Slides.

Any of the following slides may be obtained upon forwarding the undersigned 18 cents in stamps to cover cost and mailing. In ordering, state name of bank, etc., to be filled in.

ADVANCE SLIDE.

"THE REWARD OF THRIFT."

A human interest story, introducing scenes in the construction of "sky-scrapers," work in caissons underground, and actual workings of banks.

AT THIS THEATRE.....

SLIDES ADVERTISING BANKS.

ARE YOU SAVING FOR THE "RAINY DAY"
A HOME OR A BUSINESS?

If not, why not?
Come in and talk it over.

THE TRUST & SAVINGS BANK
First and Fifth Streets.

Are you striving for the
"REWARD OF THRIFT"?

We can help you.
Come in and talk it over.

THE TRUST & SAVINGS BANK
First and Fifth Streets.

HOW WOULD YOUR FAMILY FARE IF YOU MET WITH AN ACCIDENT?

Money in the bank saves worry.

THE TRUST & SAVINGS BANK
First and Fifth Streets.

Address E. G. McWilliam, Secretary Savings Bank Section, American Bankers Association, 5 Nassau Street, New York.

NOTE.

Referring to the matter of utilizing the Thrift Number of the Motion Picture Magazine as suggested in the foregoing circular, as the demand from banks in all parts of the country has already been very large, in order that the Magazine may make ample provision for all banks in addition to its normal circulation, it is necessary that banks desiring to use this Thrift Number in connection with the production of the "Reward of Thrift" in their respective communities, place their orders immediately.

THRIFT AND ENTERPRISE.

An enterprising Pittsburgh newspaper, in addition to publishing our Thrift Talks, recently offered cash prizes for the five best letters on "How I saved my first \$100." The following letter was the first to receive one of these prizes, and for originality of method and expression certainly deserved it. Incidentally, bank publicity men may well take notice.

Editor for Savings, "The Pittsburgh Post":

Anyone who thinks that it is easy for a girl in the business world to save has another think due him, the marvelous thing being that we can live at all when the demands of dress, etc., are taken into consideration. Now I earn a fair salary, as girls' salaries go, and I was determined to save. My resolution would last about four months at the utmost, then something in a window would attract me, and goodby nest egg.

As the result, the first vacation I earned found me broke, and my pride was badly hurt by the fact that after working a year and a half I had to borrow money from my father to pay my expenses.

So I made up my mind I would save, no matter what happened, and this is my scheme for doing it:

I tax all my expenditures on a sliding scale, thus:

Five per cent. tax on all money expended for necessities, such as board at home, clothing, lunches, carfare, etc.

Ten per cent. tax on all articles luxurious in character (such as feathers, veils, silk stockings, and furbelowes).

Twenty-five per cent. on luxuries (such as candies, sodas, books, etc.).

Saving soon assumed the fascination of a game. I kept the daily taxes in a separate compartment in my purse, emptied the purse into a metal bank, and deposited the contents once a month in a bank advertising on this page. I never spent a penny and saved all I got in change. For instance, if I buy a paper, the three or four cents change always goes into the saving. If some one pays my carfare, the

nickel goes into the bank. But the taxation system was the most important.

Within ten months from the time I started I had saved my first \$100. Anyone can do it, if they will use system.

B. M. A.

THRIFT TALKS AVAILABLE FOR ALL.

MANY banks, members of the American Bankers Association, but not enrolled in the Savings Bank Section, seem to feel a hesitancy in taking advantage of the efforts of this Section toward building up the savings business generally. An officer of a large trust company not long ago asked for some of our Thrift material, and in doing so said, "Now that we are no longer members of your Section, I suppose we ought to pay you for this material, and shall be glad to do so." We advised this gentleman that the Savings Bank Section existed to serve every member of the American Bankers Association so far as possible, whether members of the Section or not, and we sincerely trust that all who share the above impression may be speedily disabused of it.

For instance, in the matter of our Thrift Talks. These Talks are primarily for publication in local newspapers, but are especially valuable in a bank's publicity work. Many banks, besides securing the publication of these Talks in their respective towns, are so using them and over six hundred sets are now being mailed each month for weekly publication in nearly every State of the Union.

For the benefit of those unfamiliar with the character of these Talks on Thrift, it may be well to state that they are short, pithy articles upon some phase of thrift and are mailed in galley form, each with a release date, once a month; one article being released each week.

We want these Thrift Talks published in every town in the United States, and suggest that, when published in a local newspaper, some direct benefit may be received by banks in having their advertisements composed along educational lines and set near the "Talks."

We shall be pleased to place the name of any member bank upon our mailing list to receive these "Talks" regularly each month, and will deeply appreciate the co-operation of all banks in securing their publication.

ADELBERT CLARK TUTTLE.

ADELBERT CLARK TUTTLE, Second Chairman of the Savings Bank Section, departed this life on June twelfth, at his home in Naugatuck, Connecticut, where he lived his entire life, having been born there March 19, 1847.

That Mr. Tuttle's life was not a narrow one is evidenced by the fact that in 1902 he attended the Convention of the American Bankers Association which was held at New Orleans, and was elected to the Executive Committee of the Savings Bank Section, which was organized at that convention. The following year at San Francisco Mr. Tuttle was elected Chairman of the Section and presided at its annual meeting, which was held in connection with the annual convention in New York in 1904.

Mr. Tuttle was Treasurer of the Naugatuck Savings Bank at the time of his death, a director of the Eastern Malleable Iron Company and Treasurer and Trustee of the Howard Whittemore Memorial Library of Naugatuck. His loss will be keenly felt in all of these lines of activity; however, his broad example is one which may well be emulated by those of us who remain.

CLEARING HOUSE SECTION

OFFICERS, 1913-1914.

PRESIDENT:
JOHN K. OTTLEY, Vice-President Fourth National Bank,
Atlanta, Ga.

CHAIRMAN EXECUTIVE COMMITTEE:
J. D. AYRES, Vice-President The Bank of Pittsburgh, N. A.,
Pittsburgh, Pa.

VICE-PRESIDENT:
A. O. WILSON, Vice-President State National Bank, St.
Louis, Mo.

SECRETARY:
O. HOWARD WOLFE, 5 Nassau Street, New York City.

NEW CLEARING HOUSES.

THE Federal Reserve Act seems to have acted as a stimulant and tonic upon every phase of banking. We notice an increased interest on the part of our members in all matters making for better banking. One of the best ways we know of to tone up a local banking "situation," is to organize a clearing house association. The time is ripe; the mental attitude of both the banker and the public is in the direction of progress.

There should be a clearing house wherever there are three or more banks. Experience shows the wisdom of conducting daily routine business according to rule. This is a sound principle of finance as well as of law. Banks cannot escape, even should they so wish, from coming into intimate contact with their neighbors. All such business relations should be governed by rules and regulations, a fixed hour to exchange checks, time for opening and closing the banks, returning unpaid items, etc. More economy and less waste in shipping currency in and out of town, joint advertising educational campaigns and a host of other things too numerous to mention, suggest themselves working to the mutual benefit of the banks and the public.

What would we say of a bank that would refuse to accept a check on itself for deposit, but would insist that the holder present it to the paying teller, get the currency and then deposit the cash at the receiving teller's window? Yet that is precisely what happens on a large scale when banks settle with each other individually rather than through the clearing mechanism.

This is not a question of competition. Building a union station certainly does not destroy competition between railroads. We would not admit that a railroad gave evidence of its ability "to manage its own affairs" by adopting a gauge of track to suit its own ideas regardless of the standard. There are about

seven hundred towns in this country having three or more banks and less than two hundred organized clearing houses. For what are we waiting?

The Clearing House Section will be glad to take up the question with any city or town and will co-operate in organizing a clearing house. Articles of Association have been prepared by the General Counsel of the American Bankers Association, which will be mailed upon request.

LOW CLEARING HOUSE NUMBERS.

IT has been decided unofficially that the Federal Reserve Banks will be members of the clearing houses in their respective cities. A movement is already on foot, fostered by C. R. McKay, Chairman of the Numerical Committee, to have the various associations assign to the Federal Reserve Banks the lowest "open" number in the clearing house. This is a common sense suggestion and should be adopted.

These "open" numbers are as follows: New York, 5; Boston, 1; Philadelphia, 4; Cleveland, 1; Chicago, 2; Atlanta, 14; Richmond, 3; St. Louis, 4; Kansas City, 5; Minneapolis, 8; Dallas, 3; San Francisco, 2.

UNIFORM DRAFTS ON RESERVE BANKS.

WE wish to warn all members of the Association, and call to the attention of lithographers and printers, that a uniform style of draft upon the Reserve Banks will probably be decided upon by the Federal Reserve Board. These drafts will conform in design with the ordinary standard bank draft and will bear both the number of the member bank and of the Federal Reserve Bank. A color scheme will, no doubt, be adopted to distinguish the place payable readily, thus avoiding misrouting and other errors. For example, a draft upon the Federal Reserve Bank of New York City may be white, Boston blue, Chicago pink, etc.

WHAT EVERY BANKER WANTS.

"END your speech," says Shakespeare, "lest it mar your fortune." Investigate "Studies in English," a series of lessons in simplified grammar, correspondence, speech-making and writing for publication. Correspondence Chapter, American Institute of Banking, 5 Nassau Street, New York City.

SLOT MACHINE BANKS.

IN Budapest the use of slot machine savings banks is increasing every year, and the bank which began establishing them in 1911 intends extending the service. The machines take coins of two values and return tickets for each coin deposited, the cards bearing interest from the date of issue. The rate paid varies with the current bank rate and ranges from three to four per cent.; 110 tickets may be exchanged for a bank book. The machine is so constructed that if counterfeit coins are deposited the numbers of the tickets issued for them can be ascertained.

STUDIES IN ENGLISH.

SERIAL lessons in grammar, correspondence, speech-making and writing for publication. Correspondence instruction of practical character. Combination class and correspondence instruction for those who want to co-operate and economize. Send for specimen lessons and working methods. Correspondence Chapter, American Institute of Banking, 5 Nassau Street, New York City.

MEETING OF BANK SUPERVISORS AT ATLANTIC CITY.

THE thirteenth annual convention of the National Association of Supervisors of State Banks will be held at Atlantic City, July 6th, 7th and 8th, and indications point to a large attendance. It is contemplated by the Supervisors to go in a body to Washington to meet the Federal Reserve Board on Thursday, July 9th, after which they will pay their respects to President Wilson.

STATE SECRETARIES SECTION



OFFICERS, 1913-1914.

PRESIDENT:

WILLIAM J. HENRY, Secretary New York State Bankers' Association, New York City.

SECOND VICE-PRESIDENT:

T. H. DICKSON, Secretary Mississippi Bankers' Association, Jackson.

FIRST VICE-PRESIDENT:

W. W. BOWMAN, Secretary Kansas Bankers' Association, Topeka.

SECRETARY-TREASURER:

P. W. HALL, Secretary Iowa Bankers' Association, Des Moines.

CONVENTIONS TO BE HELD IN 1914.

July	1, 2.	North Dakota	Williston
"	15, 16.	Wisconsin	Milwaukee
Aug.	12, 13.	Wyoming	Thermopolis
"	20-22.	Montana	Butte
Sept.	1.	Illinois	Chicago
"	22-24.	Am. Inst. of Banking.....	Dallas, Texas
"	23, 24.	Kentucky	Lexington
Oct.	12-16.	Indiana	Indianapolis
Nov.	6, 7.	Amer. Bankers Assn.....	Richmond, Va.
		Arizona	Castle Hot Springs

CONVENTIONS HELD IN JUNE.

IOWA:

THE twenty-eighth annual convention of the Iowa Bankers' Association was held at Clinton, June 4th and 5th. The convention was called to order by Acting President Frank Epperson, Vice-President of the Manning & Epperson State Bank, Eddyville.

The late David L. Heinsheimer, who was a director of the Mills County National Bank, Glenwood, and President of the Association, died in March last and his loss was keenly felt by everyone in attendance at the convention. Mr. Heinsheimer's death came as a severe blow not only to the members of the Association, but to every banker in the State.

The delegates were welcomed to the city by Hallock W. Seaman, Director of the City National Bank.

The report of Secretary P. W. Hall, of Des Moines, which was printed and distributed to the delegates, covered very fully an account of the work of the Association during the past year. The Association had been especially active in promoting the agricultural industry. Mr. Hall, in co-operation with the agricultural committee, had mailed out to members at different times a great quantity of literature advocating better agricultural methods on the farm, and the teaching of agriculture, domestic science, and other practical subjects in the schools. H. G. Moore, Cashier of the Wellman Savings Bank, treasurer, reported on the finances of the Association, which report was most gratifying to the members. The work of the various committees, as submitted by the chairmen, showed that the results attained during the year had done much toward furthering the interests not only of the banks, but of the various industries of the State.

The convention was addressed by the following gentlemen: John Edson Brady, legal editor of the "Banking Law Journal," New York, on "Legal Discrimination Against Bankers"; Harry A. Wheeler, Vice-President of the Union Trust Company, Chicago, on "Bank Credits Under the Federal Reserve Act"; W. C. Brown, formerly President of the New York Central Lines, on "Early Days in Iowa"; D. W. Norris, Jr., editor of the Marshalltown "Times-Republican," on "The Banker and His Interest in Good Roads"; Henry J. Allen, editor of the Wichita (Kans.) "Daily Beacon," on "The Iowa Banker—A View from the Outside"; Arthur Reynolds, President of the Des Moines National Bank and President of the American

Bankers Association, extended greetings on behalf of the National Association.

The entertainment provided by the bankers of Clinton included boat rides and a moonlight excursion on the Mississippi River, special entertainment for the ladies at the Clinton Golf and Country Club, where a luncheon was served, followed by automobile rides around the city and Lyons. At the close of Friday afternoon's session a buffet luncheon was served at Eagle Point Park. During the convention the Iowa State Highway Commission had a very interesting exhibit of road views.

The officers elected are: President—J. L. Edwards, President of the Merchants' National Bank, Burlington; Vice-President—James R. Mackey, Cashier of the Union Savings Bank, Sigourney; Secretary—P. W. Hall, Des Moines (re-elected); Treasurer—E. H. Farrow, Cashier of the Merchants' National Bank, Cedar Rapids.

The members of the American Bankers Association met immediately on the adjournment of the first session and elected the following: Member of the Executive Council—J. A. S. Pollard, Cashier of the Fort Madison Savings Bank, Fort Madison; Vice-President for Iowa—L. A. Andrew, President of the Citizens' Savings Bank, Ottumwa; Member of the Nominating Committee—John McHugh, President of the First National Bank, Sioux City.

WASHINGTON:

THE nineteenth annual convention of the Washington Bankers' Association was held June 4th, 5th and 6th at Walla Walla. The mayor and ex-Governor Miles C. Moore, President of the Baker-Boyer National Bank, welcomed the visitors on behalf of the city and the associated banks, respectively, to which F. F. Handschy, Cashier of the Bellingsham National Bank, responded.

President W. H. Martin, Cashier of the Pioneer National Bank, Ritzville, in his annual address told of the remarkable changes which had transpired since the last convention not only in the Association, but in the State and Nation; the tariff laws having been materially changed, the banking system undergone a complete revolution, and the Panama Canal, the greatest engineering feat of ancient or modern times, being practically completed.

The business transacted at the first day's session included the reports of officers and committees. The membership of the Association is now 410—the largest in its history; 35 new members being added to the roll since the last convention, was the report of P. B. Kauffman, Acting Secretary.

Addresses were delivered by Allen H. Reynolds, of Walla Walla, on the history and industrial development of the Walla Walla section, and Charles Richardson, President of the Pacific Cold Storage Company, on new problems in law and finance. Col. Fred. E. Farnsworth, General Secretary, extended greetings on behalf of the American Bankers Association and talked on the general usefulness of the Association. In the evening a ball was held.

The entire day of Friday was devoted to entertainment, which included an automobile trip through

the wheat section of the Walla Walla country and a picnic lunch. In the evening a joint debate was held between the Seattle and Spokane Chapters of the American Institute of Banking on the advisability of prohibiting interlocking directorates; A. G. Presdrude and W. E. Tollenaar, representing the Spokane Chapter, taking the affirmative, and G. E. Main and G. A. Bruce, on behalf of the Seattle Chapter, taking the negative. The decision was given to the Seattle Chapter.

At Saturday morning's session an address was given by Russell Lowry, Vice-President of the American National Bank, San Francisco, on the "Federal Reserve Association," following which Ralph Metcalf, of Tacoma, delegated by Governor Lister to investigate the rural credits systems now in vogue in European countries, read an interesting paper on this subject, and R. L. Rutter, Vice-President of the Spokane & Eastern Trust Company, Spokane, talked on "Thrift and the School Savings Bank System." On the adjournment of this session a trip was taken down into Oregon.

A number of Washington bankers and visiting bankers from various parts of the country made up two carloads that went from the Washington Convention at Walla Walla to Twin Falls, Idaho.

An afternoon was spent en route at Boise, Idaho. The party was met by the Boise bankers, automobile rides provided and a dinner served to the visitors at Boise's fine hotel.

On Tuesday evening, June 9th, the annual banquet was given in the magnificent new high school building, the waitresses on this occasion being the fair daughters of Twin Falls—high school students.

Major Reed presided as toastmaster in a most excellent manner. The toasts were impromptu and were responded to by the following: Guy E. Bowerman, of St. Anthony, Idaho; W. W. Riter, of Salt Lake City, Utah; Dr. C. E. Edwards, of San Francisco, Cal.; O. F. Eastman, of Omaha, Neb.; W. D. Vincent, of Spokane, Wash.; W. P. Jones, of Portland, Ore., and General Secretary Farnsworth.

Resolutions of sympathy were adopted on the deaths of P. C. Kauffman, former Secretary of the Association, and Jacob Furth, of the Seattle National Bank. A resolution was also adopted inviting the American Bankers Association to hold the 1915 convention in Seattle.

The officers elected for the current year are as follows: President—Robert Moody, Vice-President of the First National Bank, Everett; Vice-President—H. C. Lucas, Vice-President of the Yakima Trust Company, North Yakima; Secretary—W. H. Martin, Cashier of the Pioneer National Bank, Ritzville; Treasurer—N. B. Hannay, Vice-President of the First National Bank, Mount Vernon.

The Washington members of the American Bankers Association elected the following: Member of Executive Council—James D. Hoge, President of the Union Savings & Trust Company, Seattle; Vice-President for Washington—J. W. Spangler, Vice-President of the Seattle National Bank and Secretary of the Seattle Clearing House Association; Member of Nominating Committee—S. M. Jackson, Manager of the Tacoma branch of the National Bank of California.

IDAHO:

THE tenth annual convention of the Idaho Bankers' Association was held at Twin Falls, June 8th, 9th and 10th. The convention was called to order by President William Thomson, President of the Lewiston National Bank, and M. J. Sweeley made an address of welcome, to which Frank H. Parsons, Vice-President of the Association and Cashier of the Pacific National Bank, Boise, made response. Greetings from the American Bankers Association were extended by Col. Fred E. Farnsworth, the General Secretary, who also spoke at some length on the activities of the Association, the Federal Reserve Act, and business conditions.

Following the annual address of President Thomson, the main feature of which was rural credits, the reports of Secretary J. W. Robinson, Boise, and

Treasurer J. C. Blackwell, Cashier of the Parma State Bank, were submitted and approved.

"Education of the Public to Pay Obligations When Due" was the subject of an address by W. W. Riter, President of the Deseret Savings Bank, Salt Lake City. "What School Agricultural Clubs Mean to the State" was demonstrated by Miss Grace M. Shepherd, State Superintendent of Public Instruction. The addresses at the second day's session were as follows: "The New Banking and Currency Law from the Standpoint of the Mercantile World," by M. Alexander, a merchant of Idaho and Oregon; "Idaho," by Major Fred R. Reed, State Immigration Commissioner of Idaho; "The Federal Reserve Act," by Edwin T. Coman, President of the Exchange National Bank, Spokane; and at the third day's session, E. H. Senenich, Cashier of the Northwestern National Bank, Portland, made an address on "Commercial Paper as a Secondary Reserve." A special vote of thanks was extended to General Secretary Farnsworth for his visit and his words of encouragement.

The entertainment was of a varied and attractive character. On Monday afternoon a reception was tendered the visiting ladies at the Hotel Perrine, following which a trip was taken to Shoshone Falls, and in the evening the visitors attended the Sells-Floto circus. On Tuesday afternoon a trip was taken to Salmon Dam by electric cars to Rogerson, at which point autos were taken to the Dam. On the adjournment of the convention, trips were made to Buhl, Filer, Kimberly and other points of interest. Lewis-
ton was selected for the meeting place in 1915.

The officers elected for the current year are as follows: President—Frank H. Parsons, Cashier Pacific National Bank, Boise; Vice-President—M. J. Flohr, Vice-President First National Bank, Wallace; Secretary—J. W. Robinson, Secretary Union Saving & Trust Company, Boise (re-elected); Treasurer—M. F. Albert, Cashier First National Bank, Payette.

The Idaho members of the American Bankers Association elected the following for office in the National Association: Vice-President for Idaho—William Thomson, President Lewiston National Bank; Member of Nominating Committee—G. E. Bowerman, President First National Bank, St. Anthony; Alternate—H. C. Haight, Vice-President Oakley State Bank.

CONNECTICUT:

ON Tuesday evening, June 9th, the delegates and their guests who were at Eastern Point, New London, to attend the fifteenth annual convention of the Connecticut Bankers' Association, were entertained at a banquet at The Griswold, an especially enjoyable feature of which was a musical program, including solo and quartette singing. O. H. Brothwell, Cashier of the First-Bridgeport National Bank and President of the Association, presided and made an address of welcome. Addresses were also made by William E. Knox, Comptroller of the Bowery Savings Bank, New York City, and T. A. Daly, of Philadelphia. Mr. Daly spoke on "The Poetry of Business and Vice Versa."

On Wednesday morning the business session was held in the ballroom of the hotel, and following the annual address of President Brothwell, Secretary Charles E. Hoyt, Cashier of the South Norwalk Trust Company, presented his report. With a few exceptions, all the banks and trust companies in the State are members of the Association. The report of Treasurer H. H. Larkum, Cashier of the First National Bank, Rockville, showed the Association to be in good financial standing.

The delegates participated in a general discussion on subjects of special interest to the banking fraternity.

On the adjournment of the business session a luncheon was served at the hotel, after which the party availed themselves of the opportunity so splendidly afforded at Eastern Point for aquatic sports.

The officers elected for the current year are as follows: President—N. D. Prince, President and Cashier of the Windham County National Bank, Danielson; Vice-President—W. H. Douglass, President of the

Mechanics' Bank, New Haven; Secretary—Charles E. Hoyt, Cashier of the South Norwalk Trust Company, South Norwalk (re-elected); Treasurer—Henry B. Noyes, Cashier of the Mystic River National Bank, Mystic; N. D. Prince, of Danielson, as Vice-President for Connecticut, and Charles E. Hoyt, of South Norwalk, as member of the Nominating Committee; also R. J. Walsh, President of the Greenwich Trust Company, Greenwich, as Vice-President for Connecticut of the Trust Company Section.

MINNESOTA:

THE Radisson Hotel, Minneapolis, was the scene of great activity on June 10th and 11th, on the occasion of the twenty-fifth annual convention of the Minnesota Bankers' Association, every section of the State being well represented and many bankers from other parts of the country in attendance.

The convention was called to order on Wednesday morning by President J. S. Pomeroy, Vice-President of the Security National Bank, Minneapolis, H. W. Parker, Cashier of the Merchants' National Bank, St. Paul, presenting him, on behalf of the Association, with a handsome gavel. Wallace G. Nye, Mayor of Minneapolis, extended a cordial welcome, to which W. D. Willard, Cashier of the First National Bank, Mankato, responded.

President Pomeroy, in his annual address, reviewed the work of the Association and the prosperity of the Minnesota banks, the past year having been a notable one, on account of the very satisfactory increase in the deposits of the banks, the proportion of such increase in the State being much larger than in the United States as a whole.

The report of Secretary George H. Richards, of Minneapolis, was very gratifying, as it showed the Association to have a membership of 1,045 banks, out of a total of 1,140 banks in the State. The financial condition of the Association as reported by Treasurer J. J. Ponsford, Cashier of the State Bank, Watertown, was eminently satisfactory. The reports of the various committees and groups evidenced the fact that the Association had had an especially active year and had done much in furthering the banking, agricultural and other industrial pursuits of the State.

The addresses delivered at the convention covered important questions of the day. E. D. Hubert, Vice-President of the Merchants' Loan & Trust Company, Chicago, took for his theme "Hopes and Fears for the New Federal Reserve Act," following which the delegates engaged in a general discussion of the new law. L. D. Harvey, President of the Stout Institute, Menomonie, Wis., spoke on "Vocational Education." "Presidents and Near-Presidents" was the subject of a chalk talk by "Bart," cartoonist of the "Minneapolis Journal." O. Howard Wolfe, Secretary of the Clearing House Section of the American Bankers Association, made an address on "Check Collection under the Federal Reserve Act," which was followed by a discussion on the income tax law—gratuitous reports furnished by banks to credit rating companies; uniform statements on back of notes to procure credit under Federal Reserve Act. "Proposal for the Placing of Minnesota's Administrative Government on a Business Basis," was the title of an address by C. P. Craig, Duluth, Chairman of the Economy and Efficiency Commission. Arthur Reynolds, President of the Des Moines National Bank and President of the American Bankers Association, talked on the work of the National organization and the advantages of membership.

The entertainment provided by the local bankers was of the very best, the arrangements affording an especially enjoyable time for the ladies. On Wednesday afternoon they were given an opportunity to see the park and boulevard system of Minneapolis, automobiles being provided for that purpose. A stop was made at the Interlachen Country Club for an afternoon tea. The principal social event of the convention took place at the Radisson on Wednesday evening, and included an informal dance, card parties, high-class vaudeville, and a buffet luncheon. On Thursday afternoon the delegates and their guests attended a ball game—Minneapolis vs. Louisville—and in the evening were entertained at the Shubert

Theatre. Many other social functions of an informal character were given.

The officers elected for the current year are as follows: President—W. D. Willard, Cashier of the First National Bank, Mankato; Vice-President—O. W. Lundsten, President of the Bank of Hutchinson; Secretary—George H. Richards, Minneapolis (re-elected); Treasurer—J. J. Ponsford, Cashier of the State Bank of Watertown (re-elected).

The members of the American Bankers Association in Minnesota held a meeting and elected the following: Vice-President for Minnesota—George E. Hanscome, Vice-President of the Merchants' National Bank, St. Cloud; Member of the Nominating Committee—J. S. Pomeroy, Vice-President of the Security National Bank, Minneapolis.

NEW YORK:

THE New York State Bankers' Association held its twenty-first annual convention at Eastern Point, New London, Conn., on June 11th and 12th. There was a large attendance of delegates from every section of the State, as well as many visiting bankers, the headquarters and place of meeting being at "The Griswold."

President Robert H. Treman, President of the Tompkins County National Bank, Ithaca, in his annual address gave a synopsis of the leading events in the financial world since the Ottawa convention a year ago, it being the most important year in banking circles since the National Bank Act was created in 1862 and 1863, and possibly the most portentous one in the history of the country.

Secretary William J. Henry reported that the year had been one of unusual activity in the Association; a continuous growth in the membership, the scope of its activities broadened and its usefulness more generally recognized; the membership responding readily to calls for service and frequently making great personal sacrifices in the interest of the Association. The financial condition, as shown by the report of Treasurer Leslie W. Burdick, Cashier of the First National Bank, Gouverneur, was eminently satisfactory. The various committees and group chairmen submitted their reports covering the work within their respective scopes.

The chief interest of the first day's session was centered in two addresses—one by Frank A. Vanderlip, President of the National City Bank, New York City, and one by Eugene Lamb Richards, Superintendent of the New York State Banking Department. Mr. Vanderlip, in his address, detailed very fully the business and political aspects of the present day. He said that the outlook for business was gauged on a different basis to what it was in former years, there being a time when the prospects of business was estimated by statistics of the production and the distribution of products and manufactures; by the state of the money market; by the record of accumulated stocks, and by the condition of credits. The principal factors we have in mind to-day are: how new laws are going to work, what new laws are next to be passed, and what is the prospect, not of crops, but of Congressional action; and thus legislation and legislative tendencies are making the business outlook dependent upon political rather than economic factors. Mr. Vanderlip urged upon the bankers that they, as well as business men generally, should move with the current of present-day political and economic thought and strive to direct its course rather than obstruct it.

The convention was aroused to a point of enthusiasm by the stirring address of Bank Commissioner Richards in his protest against the causes which he believed led to the present business depression—this new tyranny, this spirit of paternalism which can now be seen hovering over the banking interests of the nation should be opposed most strenuously and a check put on the march of radicalism and socialism. For the past decade there has been heaped upon the business interests of this country government by legislation, government by commission and government by investigation, in a misdirected effort to terrorize capital into compulsory equalization of prosperity. So to-day what menaces

business is not tyranny of plutocracy, but the tyranny of paternalism. Mr. Richards said that the time to act was now and that the convention should appoint a committee for that purpose.

In conformity with the suggestions offered by the foregoing speakers, a resolution was adopted by the convention, asking the incoming Executive Council to appoint a Publicity Committee to formulate and carry out a campaign of aggressiveness to combat efforts which are now being put forth to misguide public opinion.

Other speakers at the convention were: Elliott C. McDougal, President of the Market Bank, Buffalo; Lyman J. Gage, ex-Secretary of the Treasury; and Pierre Jay, Vice-President of the Bank of the Manhattan Company, New York.

The annual banquet was held on Thursday evening, at which the outgoing President acted as toastmaster. Job E. Hedges, Charles F. Mathewson, and C. W. Barron, editor of the "Wall Street Journal," made addresses. United States Senator John W. Weeks, and Howard Elliott, President of the New York, New Haven & Hartford Railroad, were on the program, but were unavoidably absent. Secretary Henry read an interesting letter from Mr. Elliott.

The entertainment included a trip to Fishers' Island to inspect the forts, the workings of the batteries, and the firing of the big guns at floating targets anchored in the Sound. On Friday afternoon the party took a sail up the river Thames and in the evening witnessed an open-air performance by the Howard Kyle players in "As You Like It."

The officers of the Association elected for the ensuing year are as follows: President—James H. Perkins, President of the National Commercial Bank, Albany; Vice-President—John A. Kloepfer, President of the Union Stockyards Bank, Buffalo; Secretary—William J. Henry, New York City (re-elected); Treasurer—John H. Gregory, Vice-President of the Central Bank, Rochester.

At a meeting of the members of the American Bankers Association in New York the following were elected: Members of the Executive Council—Robert H. Treman, President of the Tompkins County National Bank, Ithaca, and George G. Clarabut, Cashier of the Farmers' National Bank, Rome; Vice-President for New York—B. E. Smythe, Cashier of the Gramatan National Bank, Bronxville; Member Nominating Committee—Bradford Rhodes, President First National Bank, Mamaroneck.

UTAH:

THE sixth annual convention of the Utah Bankers' Association was held at Price, June 12th and 13th. After the arrival of the special train conveying the delegates and guests to the convention on the evening of the 11th, the party was entertained at a concert at the L. D. S. Tabernacle, preceded by a band concert.

The convention was called to order by President Frank Knox, President of the National Bank of the Republic, Salt Lake City; and Mayor Carlos Gunderson welcomed the visitors, to whom Abbott R. Heywood, President of the Ogden Clearing House, responded.

President Knox, in his annual address, dealt with existing conditions, and particularly the prospect of business under the Federal Reserve Bank Act. He also pointed out the benefits which accrued to bankers banded together as an association, and said: "It is of great good to us as bankers and good for the State; it draws us nearer together, whereby we are able to be advised at first hand of conditions in every portion of the State. It helps us, when in doubt, to learn that better men than we are also perplexed; it renews our faith in human nature to find that all around us are true and patriotic men, each of whom, while working primarily for himself, is still working with a hope of being a factor of good to State and country."

Secretary-Treasurer J. E. Shepard, Cashier of the Cache Valley Banking Company, Logan, reported that the Association had made very satisfactory progress during the year, with a material increase in membership, and that the Association was in an eminently

satisfactory condition, both financially and otherwise. Mr. Shepard received many congratulations on his effective work and on the progress the Association had made. The reports of the Executive and the standing committees were submitted, their work having been very effective in the advancement of the banking and mercantile interests of the State.

"Efficiency in the Employee—An Asset to the Bank," was the subject of an address by William T. McEwan, representing Salt Lake Chapter of the American Institute of Banking. Col. Fred. E. Farnsworth, General Secretary of the American Bankers Association, gave an address on "The American Bankers Association and Its Activities," including a discussion of the Federal Reserve Bank Act.

A resolution was unanimously adopted thanking Col. Farnsworth for his visit to Utah and for the benefit derived from his address.

The following subjects were discussed: Should State banks and trust companies join the Federal Reserve Banking System; Bank taxation—its inequalities and how the defects can be remedied; Past due paper; How can the over-draft system be completely eliminated?

J. M. Whitmore, President of the First National Bank, Price, made an address on "Resources of Eastern Utah and Their Relation to the Development of the State." Bank Commissioner C. A. Glazier discussed topics of general interest to the bankers, and Russell Lowry, of San Francisco, gave an address on the "Federal Reserve Bank Act."

A resolution was adopted by the convention, requesting the Association to take up the matter of bank taxation during the coming year and endeavor to remedy existing defects.

The entertainment features included an auto trip to Kenilworth and Price River Irrigation Project, a banquet at the City Hall, which was followed by a reception and dance, a trip to Hiawatha, Black Hawk and Mohrland, and a trip up the famous tramway to the mouth of the Black Hawk mine by special train.

The officers elected for the ensuing year are as follows: President—Charles S. Burton, Vice-President Utah State National Bank, Salt Lake City; Vice-Presidents—H. E. Hatch, Presidents Thatcher Brothers Banking Company, Logan; F. C. Jensen, Vice-President Mount Pleasant Commercial & Savings Bank, Mount Pleasant; Secretary-Treasurer—J. E. Shepard, Cashier Cache Valley Banking Company, Logan (re-elected). With the expectation of bringing the membership up to one hundred in Utah, the members of the American Bankers Association present at the convention elected W. S. McCornick, of Salt Lake City, to the Executive Council.

Price, Utah, is known as "The Biggest Little City on Earth," and this was fully exemplified by the manner in which the enterprising and progressive bankers of Price handled the various features of the convention.

Mayor Gunderson and a committee with a band of music met the trainload of bankers at one of the stations outside of Price and escorted them to the city. On arrival, another band of music and a large crowd met the bankers. The city was illuminated in metropolitan style with arches lighted with colored lights in its principal streets. Concerts by two bands were in order every evening from six to eight o'clock. At the convention there was an orchestra and vocal music.

President Knox was presented with a gavel.

The banquet was given in the City Hall and was served in most excellent manner by the ladies of Price. It was a metropolitan affair in all its details and reflected great credit upon the city of Price.

The toastmaster—one of the city's live wires—was Mr. Carl R. Marcusen, and toasts and responses were as follows:

"It Is Good for Us to be Here," A. W. Horsley.
"The Desert Shall Bloom as the Rose," A. H. Christensen.

"If I Should Chance to Talk a Little, Forgive Me; I Had It of My Father," and "Price—'Biggest Little City on Earth,'" W. F. Olson.

"Memory Will Run Back and Fetch the Age of Gold," W. S. McCornick.

"Big Gotham and Little Gotham," Fred. E. Farnsworth.

"I Have Done the State Banks Some Service, and They Know It—But No More of That," Frank Knox.

"If We Do Meet Again, We'll Smile Indeed," Mr. Porter.

OREGON:

THE Oregon Bankers' Association held its ninth annual convention at Medford, June 15th and 16th. President W. L. Thompson, President of the American National Bank, Pendleton, called the convention to order in the Page Theatre and the visitors were welcomed by Mayor Mahlon Purdon on behalf of the city and by W. I. Vawter, President of the Jackson County Bank, on behalf of the local bankers. Lydell Baker, editor of the "Pacific Banker," Portland, responded.

Following the annual address of President Thompson, the reports of Secretary J. L. Hartman, of Hartman & Thompson, Portland, and Treasurer A. J. Johnson, President of the Benton County National Bank, Corvallis, as well as those of the various committees, were submitted and much gratification expressed by the delegates on the condition of the organization both financially and otherwise.

At the first day's session, "Aiding Oregon Industries" was the subject of an address by Ralph D. Hertz, Director of Extension, Oregon Agricultural College, Corvallis. Mr. Hertz gave some very interesting information on the practical work of promoting and extending agricultural pursuits.

The addresses delivered at the afternoon session were by prominent bankers and professional men of Portland. Edgar B. Piper, managing editor of the Portland Oregonian, spoke on "Signs of the Times." Other speakers were Charles E. Walters, on "A National Craze"; William Whitfield, on "Actual Conditions versus Borrowers' Statements"; and A. R. Stringer, Jr., of the First National Bank, on "Banking as Taught by Mail Through the American Institute of Banking." A very instructive address was given at Tuesday morning's session by Superintendent of Banking S. G. Sargent on "Desirable Changes in Our State Banking Laws."

The delegates engaged in a general discussion on questions affecting not only the banking interests of the State but of the Nation, and on matters which would further the interests of the Association.

The program of entertainment was furnished by the bankers of Medford in conjunction with the Ashland bankers. On Monday an automobile ride was taken through the valley north of Medford and in the evening a banquet was given to the members of the Association at the Hotel Medford. On Tuesday there was an automobile ride to Ashland and a luncheon at Chautauqua Park; also a ride through the orchard and agricultural sections.

The officers elected for the current year are as follows: President—A. C. Shute, President American National Bank, Hillsboro; Vice-President—J. M. Poorman, Cashier Bank of Woodburn, Woodburn; Secretary—J. L. Hartman, Hartman & Thompson, Bankers, Portland (re-elected); Treasurer—W. H. Bennett, Vice-President First Trust & Savings Bank, Klamath Falls.

The Oregon members of the American Bankers Association elected R. W. Schmeer, Cashier of the United States National Bank, Portland, as a member of the Executive Council.

MARYLAND:

THE nineteenth annual convention of the Maryland Bankers' Association at Cape May, N. J., June 16th, 17th and 18th was the most successful in its history. A dance was given on Tuesday evening, and the convention called to order Wednesday morning by President William C. Page, President of the Calvert Bank, Baltimore. L. C. Ogden, President of the Board of Trade, Cape May, welcomed the visitors, to whom Gordon Tull responded.

President Page, in his annual address, spoke of the general business depression and said that there were unmistakable evidences that basic conditions

were sound and that it was only a question of time when liquidation will run its course and confidence be restored. He said it is for the banker to take the lead in the effort to restore confidence.

Following the address the reports of Secretary Charles Hann, Assistant Cashier of the Merchants-Mechanics National Bank, Baltimore, Treasurer William Marriott, Cashier of the Western National Bank, Baltimore, and the committees of the Association were submitted, all of which covered different phases of the work of the Association and the results attained in the interests of the membership as well as the banking fraternity of the State.

The balance of the meeting was devoted to addresses by Channing Rudd, manager of the investment department of Alexander Brown & Sons, Baltimore, who spoke on circulation and United States Bonds under the Federal Reserve Act. Claude Gilbert, National Bank Examiner, and O. E. Weller, Chairman of the State Roads Commission, also addressed the convention.

At the second day's meeting the subject of our domestic trade and the Panama Canal was discussed by O. P. Austin of the National Geographic Society, Washington, D. C., and Professor Nicholas Schmitz of the Maryland Agricultural College, told of Maryland agricultural conditions, progress and need. An important feature of the convention was a banquet on Thursday evening at Hotel Cape May at which Judge Frank I. Duncan of Lutherville was toastmaster. Addresses were made by United States Senator Carter Glass, Carl R. Gray, President of the Western Maryland Railway, Baltimore, and Mayor James H. Preston of Baltimore.

On Wednesday afternoon an automobile ride was taken to Anglesea and return, passing through Wildwood Crest, Holly Beach and Wildwood, a stop being made at the latter place. A vaudeville entertainment was given in the evening.

The officers of the Association elected at this convention were as follows: President, George R. Gehr, Cashier of the First National Bank, Westminster; Vice-President, Harvey L. Cooper, President of the Denton National Bank, Denton; Secretary, Charles Hann, Assistant Cashier of the Merchants-Mechanics National Bank, Baltimore (re-elected); Treasurer, William Marriott, Cashier of the Western National Bank, Baltimore (re-elected).

DELAWARE:

THE Delaware Bankers' Association held a special meeting at Lewes on June 18th, the banking institutions of the State being well represented.

A reception committee, headed by Dr. William P. Orr, met the visitors on their arrival at the railroad station and escorted them to the Ocean House to luncheon, after which they embarked on the steam pilot boat "Philadelphia" for a sail about the Capes.

On the return of the party to Lewes they went into business session, President John H. Danby, President of the Union National Bank, Wilmington, presiding. Benjamin Nields, President of the Security Trust and Safe Deposit Company, Baltimore, extended a cordial welcome to the guests and then talked on the financial conditions of the State and of the standing of the banks.

The report of Secretary-Treasurer Caleb M. Sheward, Vice-President of the Wilmington Trust Company, was submitted, and unanimously approved.

The delegates discussed matters of interest pertaining to the Association and the banking interests in the State. The subject of Interlocking Directors was also discussed, following which a committee was appointed to draft suitable resolutions, and a copy of it to be sent to the Senator and Representatives in Congress and to each member bank recommending them to oppose same.

A banquet was held in the evening at which remarks were made by Colonel Nields, Governor Charles R. Miller, Levi L. Rue, President of the Philadelphia National Bank; Joseph Moore, Jr., Chairman of the Philadelphia Clearing House Association; Henry Ridgely, Dover, and Dr. William P. Orr of Lewes.

At a meeting of the Delaware members of the

American Bankers Association, Daniel W. Corbit, President of the New Castle County National Bank, Odessa, was elected Vice-President for Delaware, and Col. L. W. Mustard, Director of the Sussex Trust Company, Lewes, as Vice-President of the Trust Company Section.

The annual convention will be held in the fall.

VIRGINIA:

THE Virginia Bankers' Association held its twenty-first annual convention at Old Point Comfort, June 18th, 19th and 20th and the three days' program was so arranged as to enable the delegates to transact a great deal of business as well as to avail themselves of the out-door attractions for which Old Point Comfort is noted.

The business meetings were held in the ballroom of the Hotel Chamberlin. President Joseph M. Hurt, Cashier of the Citizens Bank, Blackstone, called the convention to order and the invocation was pronounced by the Rev. W. E. Hill. A committee on resolutions was then appointed and President Hurt made his annual address in which he endorsed the new banking and currency law. He thought that the new law, when it gets into operation, would prove a great blessing to the whole nation and especially to the South, and that it would do more to localize credit and build up Virginia than any other law that had been spread on the statute books within his recollection.

The reports of Secretary Walker Scott, Cashier of the Planters Bank, Farmville, and Treasurer Julien H. Hill, Cashier of the National State and City Bank, Richmond, were submitted and unanimously approved. The reports of the various committees and groups were also submitted and approved.

The addresses were as follows: "Benefits to be Derived from The American Institute of Banking," by George H. Keese, Assistant Cashier of the Merchants National Bank, Richmond, former President of the Richmond Chapter of the A. I. B.; "Banking from Two Points of View," by H. L. Eley, Assistant Cashier of the Peoples Bank, Courtland; "Developing a Bank's Business by Advertising," by Fred W. Ellsworth of the Guaranty Trust Company, New York City; "International Movements of Gold," by George E. Roberts, Director of the Mint, Washington, D. C.; "Educating the Producer," by Joseph D. Egglesston, President of the Virginia Polytechnic Institute, Blacksburg; "Agricultural Development and Vocational Education," by V. Vaiden, Cashier of the First National Bank, Farmville, and Chairman of the Agricultural Committee of the Association; "Taxation and Business," by Dr. Douglas S. Freeman of the "News-Leader," Richmond.

Thursday afternoon a band concert was given by the Fort Monroe Marine Band, an informal dance at the Sea Pavilion of the hotel in the evening.

On Friday evening the annual banquet was held at the Hotel Chamberlin, at which retiring President Hurt acted as toastmaster. Col. Ira T. Haynes, of Fort Monroe, extended "A Word of Welcome," and the Rev. William T. Hill, of Atlanta, Ga., spoke on "Righteousness and Revenue." Dr. Francis Harvey Green, of West Chester, Pa., spoke on "Counting," and Edward James Cattell, of Philadelphia, talked on "A New Day for the Old Dominion."

The Association elected the following officers: President—W. B. Vest, Cashier Citizens & Marine Bank, Newport News; Vice-President—C. E. Tiffany, President Fauquier National Bank, Warrenton; Secretary—Walker Scott, Cashier Planters Bank, Farmville; Treasurer—Julien H. Hill, Cashier National State & City Bank, Richmond.

The three latter officers were re-elected.

COLORADO:

ON Friday and Saturday, June 19th and 20th, the thirteenth annual convention of the Colorado Bankers' Association was held at the Antlers Hotel, Colorado Springs.

President Fred O. Roof, Vice-President of the Minnequa Bank, Pueblo, called the first session of the convention to order, and C. L. McKesson, Mayor of Colorado Springs, extended a hearty welcome, to

which J. C. Burger, Cashier of the Hamilton National Bank, Denver, responded.

Following the annual address of the President, Secretary Paul Hardey, Cashier of the Interstate Trust Company, Denver, made his report, which showed that the Association had passed through a successful year and that the increase in membership was very gratifying; that the work done in the interests of the Association and the banking institutions of the State had attained good results. Treasurer D. T. Stone, President of the United States Bank & Trust Company, Grand Junction, in his report showed the Association to be in excellent financial condition.

The addresses delivered at the convention were of a most interesting and instructive character, covering financial questions of the day. Dr. Wm. F. Slocum, President of Colorado College, spoke on "The Relations of Public Confidence to Banking." William G. Edens, Assistant Secretary of the Central Trust Company of Illinois, Chicago, gave the reasons why banks have supported the good roads movement. Col. Fred E. Farnsworth, General Secretary of the American Bankers Association, addressed the convention and showed conclusively the benefits of co-operation and organization, especially as applied to the great banking interests of the country. "The Relation of Insurance and Banking," was the title of an address by Col. Fred W. Fleming, Vice-President of the Kansas City Life Insurance Company, and "Bank Examination Under the New National Law," by A. O. Wilson, Vice-President of the State National Bank, St. Louis. B. F. Harris of Champaign, Ill., Chairman of the Agricultural Commission of the American Bankers Association, talked on "The Banker-Farmer."

On Friday morning the local chapter of the American Institute of Banking held a meeting, presided over by Sever Daley, President of the Denver Chapter. Gordon Jones, President of the United States National Bank, Denver, gave a talk on "Prospective Rural Credits National Legislation"; G. A. Askling, Institute Executive Councilman, Denver, spoke on "The American Institute of Banking a Force," and Theodore G. Smith, Vice-President of the International Trust Company, Denver, made an address on "An Officer's Impression of the A. I. B." General Secretary Farnsworth was called upon and made a few appropriate remarks, as did also Jerome Thralls, manager Clearing House, Kansas City, Mo. Colorado has been very active in the Agricultural Movement—which has been very ably led by Geo. T. Wells, of Denver, who made a very exhaustive and comprehensive report on the subject.

A meeting of the State Bank Section was also held, presided over by H. M. Stockwell, President of the La Veta State Bank. Mr. Stockwell delivered his annual address, which was followed by the report of Secretary H. M. Sammis.

On the adjournment of the Section meeting the various groups held their annual meetings, presided over by the respective group chairmen.

On Friday evening the visitors were taken to Stratton Park for a band concert and dancing, the dancing pavilion being reserved for the occasion. Saturday afternoon the ladies were given an automobile ride along the Canon City Road and attended an afternoon tea at the Colorado Springs Golf Club House. The annual banquet was held at the Antlers Hotel in the evening, Judge H. G. Lunt, Vice-President of the Colorado Title & Trust Company, Colorado Springs, acting as toastmaster. Judge Lunt's introductory was a forceful talk and in plain words on the false and malicious report which had been carried to the East regarding the miners' strike at Pueblo and surrounding territory.

Judge Lunt emphatically denied that there had been any undue cruelty, hardships or murders committed on the miners or their families.

The speeches at the banquet were entirely informal and were made by J. C. Burger, of Denver, F. P. Neal of Kansas City, W. G. Edens of Chicago, Frank N. Briggs of Denver, and General Secretary Fred. E. Farnsworth of New York City.

The officers elected for the current year are: President—James C. Burger, Cashier of the Hamilton National Bank, Denver; Vice-President—Theo-

dore G. Smith, Vice-President of the International Trust Company, Denver; Secretary—Paul Hardey, Cashier of the Interstate Trust Company, Denver (re-elected); Treasurer—Wesley Staley, Cashier of the First National Bank, Arvada.

At a meeting of the Colorado members of the American Bankers Association Fred O. Roof, the retiring President of the State Association, was elected Vice-President for Colorado; Frank N. Briggs, President of the Interstate Trust Company, Denver, for member of the Nominating Committee, and Harry M. Rubey, Cashier of the Woods-Rubey National Bank, Golden, as alternate.

OHIO:

WHAT was probably the most important and interesting convention in the history of the Ohio Bankers' Association was the twenty-fourth annual meeting at Cedar Point on June 19th. In addition to the members there were a number of visiting bankers in attendance. President R. D. Sneath, President of the Commercial National Bank, Tiffin, called the convention to order, and following an invocation by the Rev. Edmund G. Mapes, of the Grace Episcopal Church, Sandusky, President Sneath delivered his annual address, the main theme of which was the new banking and currency law; which legislation, he said, may truly be regarded as the greatest constructive legislation of our monetary system since the war measure of 1863; and to the bankers of our country is due many of the best features of this new law. While it may be true that the workings and efficiency of this legislation are problematical, yet if hearty co-operation and encouragement be extended by all who come under its provisions, its successful operation is assured.

The annual report of Secretary S. B. Rankin, President of the Bank of South Charleston, dealt with the work transacted by the Secretary's office and giving the doings of the Association for the year, evidencing the fact that the Association had progressed very materially along all lines of work and also a steady increase in the membership. Treasurer Harry T. Hall, Vice-President of the Dollar Savings Bank Company, East Liverpool, submitted his report on the finances, which were in an eminently satisfactory condition. The reports of the various committees covering different phases of the work of the Association were submitted and general satisfaction expressed at the results attained.

The addresses were of an interesting character and included the following: "Federal Reserve Act," by Judge M. C. Elliott of Alabama; "Trust Companies," by F. H. Goff, President of the Cleveland Trust Company; "As to the Efficiency of our Present System," by Asael E. Adams, President of the First National Bank, Youngstown; "Country Checks Under the Federal Reserve Act," by O. Howard Wolfe, Secretary of the Clearing House Section of the American Bankers Association, and greetings from that Association were extended by the President, Arthur Reynolds, President of the Des Moines National Bank, Des Moines, Iowa.

The attractive feature of the convention this year was an extended lake trip on the steamer "Kirby" leaving Cedar Point for Detroit. On arrival at Detroit the assemblage disembarked and boarded the steamer "Noronic" for Sault Ste Marie, touching at Sarnia, Ont. From the Soo they went to Duluth, calling at Port Arthur, en route, and at the latter place were entertained by the Board of Trade. At Duluth they were the guests of the Duluth Clearing House Association and the Duluth Commercial Club.

The boat left on the return trip on Tuesday, calling at Fort William, Ont., at which place they were entertained by the Board of Trade. The entertainment on board going and coming was of a varied and enjoyable character.

The officers elected for the ensuing year are as follows: President—E. L. Coen, Vice-President Erie County Banking Company, Vermillion; Vice-President—O. N. Sams, President Merchants National Bank, Hillsboro; Secretary—S. B. Rankin, President Bank of South Charleston, South Charleston (re-elected); Treasurer—Harry T. Hall, Vice-President Dollar Savings Bank Company, East Liverpool (re-elected).

The Ohio members of the American Bankers Association elected the following to office in the National organization: Member Executive Council—Louis Kiesewetter, Vice-President and Cashier of the Ohio National Bank, Columbus; Vice-President for Ohio—W. C. Caine, Cashier of the Bank of Commerce National Association, Cleveland; Member Nominating Committee—S. D. Fitton, President of the First National Bank, Hamilton.

SOUTH DAKOTA:

THE South Dakota Bankers' Association held its twenty-third annual convention at Aberdeen, June 24th and 25th, the headquarters being at the Elks Club Building and the business sessions were held in the same building.

The convention was called to order by the Vice-President of the Association, T. W. Delicate, President of the Custer County Bank, Custer, and the delegates were welcomed by F. A. Brown, Vice-President of Brown Brothers State Bank and Trust Company, to which O. L. Branson, President of the First National Bank, Mitchell, made response.

An air of solemnity pervaded the opening of the convention on account of the absence of the late Marcus P. Beebe, President of the Association, who died in office. As a mark of esteem to his memory, a memorial address was made by J. W. Parmley.

The annual address was made by T. W. Delicate, the President pro tem of the Association, following which committees were appointed and reports made of the work done by the various committees during the year. Secretary J. E. Platt, President of the Security Bank, Clark, made his report, which showed the Association to have had a most successful year and satisfactory progress made along all lines of Association work; the present membership is 544—33 new members having been added to the roll during the past year. Mr. Platt also gave a most interesting resume of the banking history of the State, as well as of the Association since its organization in 1885. Treasurer S. T. Kiddoo, Cashier of the Sioux Falls National Bank, also submitted his report, the Association being in excellent financial condition. Other routine business was transacted.

The addresses at the afternoon session were by L. F. Crawford of Sentinel Butte, N. D., President of the North Dakota Bankers' Association; W. B. Harrison of Oklahoma City, Secretary of the Oklahoma Bankers' Association, on "A New Concept of Wealth"; Curtis L. Mosher of Minneapolis, Secretary of the Minnesota Citizens League, led a discussion on the Federal Reserve Act which was participated in by the delegates.

In the evening an informal reception and ball was given at the Elks Club.

At Thursday morning's session James M. Lawson addressed the convention and John Fletcher of Chicago, President of the Drovers National Bank, gave an interesting talk on "Conditions in Live Stock Industry." By special request Mr. Harrison again addressed the convention on the question of guaranty of deposit problems. There were two other Secretaries of State Associations present—G. H. Richards of Minnesota and W. C. Macfadden of North Dakota. The balance of the morning was devoted to routine business.

On Thursday afternoon the delegates and ladies were entertained with an auto drive about the city of Aberdeen and a visit to the Country Club. A committee composed of the wives of the Aberdeen bankers were in attendance at all times to contribute to the comfort and pleasure of the visiting ladies.

The officers elected at the convention were as follows: President—S. T. Kiddoo, Cashier of the Sioux Falls National Bank, Sioux Falls; Vice-President—N. E. Franklin, President of the First National Bank, Deadwood; Secretary—J. E. Platt, President of the Security Bank, Clark (re-elected); Treasurer—Alex Highland, Vice-President of the Aberdeen National Bank, Aberdeen.

At a meeting of the members of the American Bankers Association in South Dakota, E. J. Miller, Cashier of the First National Bank, Huron, was elected a member of the Executive Council to fill

vacancy which will occur on the expiration of the term of the present incumbent. J. E. Platt, President of the Security Bank, Clark, was also named for membership on the Executive Council, contingent on the membership of that State reaching the three hundred mark, which will then entitle the State to two members. Z. A. Crain, President of the Redfield National Bank, Redfield, was elected Vice-President for South Dakota and F. C. Danforth, President of the election of officers. For new officers see page 19.

MICHIGAN:

THE Michigan Bankers' Association, the pioneer organization in boat-trip conventions, this year followed its usual custom in holding its twenty-eighth annual convention on board ship.

Detroit was the place of rendezvous, and when the bankers of the State boarded the steamer it was noticed that the attendance of ladies was much larger than at any previous convention.

The party embarked on the steamer "City of Detroit II." at three o'clock on Tuesday afternoon, June 23d, and were accompanied by a local committee from Alpena consisting of W. A. Comstock, Mayor of Alpena, W. A. Prince and F. H. Orcutt.

The first business session was held in the evening when President George E. Lawson, Vice-President of the Peoples State Bank, Detroit, called the convention to order and Mayor Comstock delivered an address of welcome, to which William Livingstone, President of the Dime Savings Bank, Detroit, responded.

Following President Lawson's annual address, Secretary H. M. Brown and Counsel Hal. H. Smith of Detroit and Treasurer Gilbert L. Taylor of Owosso submitted their reports covering very fully the work of the Association during the year. Arthur Reynolds, President of the Des Moines National Bank, and President of the American Bankers Association, extended greetings from the national organization. On the adjournment of the meeting the assemblage was entertained at a concert, the artists being Harold Jarvis and Miss Mary Lyon—Finney's orchestra furnishing the music.

The boat arrived at Alpena on Wednesday morning, and on disembarking the party were the guests of and entertained by the banks and the Alpena Board of Commerce; automobile rides were taken to various parts of the country, stopping at Nicholson Hill for dinner; stops were also made at the Country Club at Long Lake, and the Michigan Alkali plant. In the evening an entertainment was given at City Hall Park, which was brilliantly illuminated with electric bulbs; the guests were seated at tables and a sumptuous dinner served. At the close of the festivities the party returned to the steamer, leaving for Traverse City that night.

The second session was held on Thursday morning, at which the report of the Agricultural Committee, Frank H. Williams, Chairman, was made. Addresses were delivered by Thomas Cooper of Fargo, N. D., on "Carrying Agriculture to the Farmer"; John Monroe of Faribault, Minn., on "A Changed School System," and Leon J. Baker of Traverse City, on "Exhibits in Bank Lobbies." The delegates then engaged in a discussion on the agricultural question.

On arrival of the boat in Traverse City at two o'clock the delegates were met by a local committee and for the remainder of the day were the guests of the city. They were taken for a ride through Traverse City and down the Peninsula to Old Mission and back to the "Shore" road, it being one of the most delightful rides in Michigan through the orchard territory. In the evening an informal reception was held at the Wequetong Club.

The trip was continued from Traverse City to Mackinac Island, arriving at the Island on Friday morning, where the guests went ashore and visited many points of interest. The boat left Mackinac Island, homeward bound, on Friday evening, and Robert F. Maddox of Atlanta, Ga., addressed an evening session, taking for his theme "The Citizenship of the Banker." This was followed by a musical entertainment.

The last session was held on Saturday morning for hearing of balance of reports of committees; a general discussion, presentation of resolutions, and election of officers. For new officers see page 19.

WEST VIRGINIA:

THE West Virginia Bankers' Association held its twenty-first annual convention at Martinsburg, June 23d and 24th, the convention being called to order by President Glenn F. Barns, Cashier of the National Bank of Fairmont. An address of welcome was extended to the visitors on behalf of the Martinsburg Board of Trade, the city of Martinsburg and associated banks, by N. C. Nadenbousch, to which R. E. Talbott, Cashier of the Citizens National Bank, Philippi, responded.

The address of President Barns covered different phases of the banking law, some of which, he said, were crude, some antiquated and not in line with new conditions that have arisen within the past few years. The development of West Virginia had been phenomenal and business had forged ahead in all lines. The banking laws and laws governing her industrial development should keep pace with her material growth in wealth and population. Mr. Barns urged the members of the Association to use their influence to secure all necessary legislation to correct any laws from which business improperly suffers.

Secretary Joseph S. Hill, Cashier of the City National Bank, Charleston, submitted his annual report showing that the Association had had a very successful year.

"Uniformity in Banks and Banking" was the subject of an address by George E. Allen, Educational Director of the American Institute of Banking, and "The Progressive Banker," by George R. Wallace, an attorney of Pittsburgh. "Suretyship as Related to Banks and Banking," was discussed by J. H. Knapp, Secretary of the Citizens Trust & Guaranty Company of Parkersburg.

On the adjournment of the first day's session, Tuesday afternoon, the delegates and guests were taken for an automobile ride to the Antietam battlefield, and luncheon was served at the Hagerstown Country Club.

At Wednesday morning's session United States Senator Henry F. Hollis, of New Hampshire, who is also a member of the Senate Committee on Banking and Currency, made an address on "Some Practical Aspects of the Federal Reserve Act," and in the afternoon Harry R. Warfield, Vice-President of the Baltimore Trust Company, addressed the convention.

On Wednesday afternoon an automobile ride was taken to the Berkeley County orchards and luncheon was served in the orchard of John W. Stewart. The annual banquet was held in the evening at the Berkeley.

The officers elected for the ensuing year are as follows: President—H. W. Chadduck, Cashier of the Grafton Banking & Trust Company, Grafton; Vice-President—R. E. Talbott, Cashier of the Citizens National Bank, Philippi; Secretary-Treasurer—Joseph S. Hill, Cashier of the National City Bank, Charleston (re-elected).

At a meeting of the members of the American Bankers Association in West Virginia the following were elected: For member of the Executive Council—Edward Nelly, Cashier of the Wood County Bank, Parkersburg; Vice-President for West Virginia—H. H. Emmert, President of the Old National Bank, Martinsburg; member of Nominating Committee—Robert Lee Boyd, Assistant Cashier of the National Exchange Bank, Wheeling.

SOUTH CAROLINA:

THE South Carolina Bankers' Association held its fourteenth annual convention at the Isle of Palms, June 23d, 24th and 25th. President Bright Williamson, President of the Bank of Darlington, called the convention to order, and John P. Grace, Mayor of Charleston, made an address of welcome to which John C. Sheppard, President of the Bank of Edgefield, made response.

Mr. Williamson, in his annual address talked on the new banking and currency law; the high cost of living and the relation of the farmer thereto, and said that in order to equalize the wages of this country, farm products must advance so that a greater part of what is produced on the farm or the proceeds thereof must remain there for those who produce it. He called attention to the fact that while the money crops in South Carolina had increased enormously in the last two decades, but a small portion of the increment remained in the State, and that was used chiefly in permanent improvements, betterments and the increased fertility and productiveness of the soil, none of which were available checking accounts as credits at the bank.

Secretary-Treasurer Lee G. Holloman, President of the Peoples Bank, Anderson, submitted his report which, together with the reports of the various committees, showed that the Association had done much toward furthering the interests of the banking and industrial pursuits in the State.

B. F. Taylor, President of the Bank of Columbia, made an address on "Insurance of Deposits," and B. H. Rawl, of the United States Department of Agriculture, told "How the Banker and Farmer can Cooperate in Preparing South Carolina to Withstand the Boll Weevil." "Insurance as an Incident to Banking," was the title of an address by F. H. Masters, Insurance Commissioner of the State.

In the afternoon the guests were given a boat excursion by the courtesy of the Charleston Clearing House Association.

At the second day's session an address was made by United States Senator Carter Glass on the new banking and currency law. Judge C. A. Wood, of the Circuit Court of Appeals, Richmond, on "Money and the Community." R. G. Rhett, President of the Peoples National Bank, Charleston, addressed the convention on "The Federal Reserve Act—Its Practical Operation and Probable Effects."

The annual banquet was held in the evening.

The officers elected for the ensuing year will be published in next month's issue.

PENNSYLVANIA:

THE twentieth annual convention of the Pennsylvania Bankers' Association was held at Bedford Springs, June 26th and 27th, and there was a large attendance of delegates. President Montgomery Evans, President of the Norristown Trust Company, called the convention to order. Greetings from the American Bankers Association were extended by Arthur Reynolds, of Des Moines, the President of that organization.

Since the last convention the Association has lost one of its most distinguished and valued members in Robert E. James, President of the Easton Trust Company; and a touching tribute was paid to his memory in the adoption of resolutions on his death.

William H. Peck, President of the Third National Bank of Scranton, talked on "The Analysis of a Commercial Statement," in which he discussed the various items to be taken into consideration by a bank in passing upon a statement submitted by a prospective borrower. He said that for purposes of accuracy and fullness an audited statement by reliable certified public accountants is desirable. Before the banker parts with the cold cash, he should know more than just the bare facts contained in the statement. David Barry, Cashier of the First National Bank of Johnstown, made an address on "The Adaptability of the Banker," in which he covered many of the provisions of the Federal Reserve Act. He said that while some of the city and country bankers disapprove of some of the features of this law, they were able to see its merits and were satisfied that the good points would very largely make up for the unsatisfactory features of the legislation.

Secretary D. S. Kloss, Cashier of the First National Bank, Tyrone, submitted his annual report which showed that the Association had made very satisfactory progress along all lines of Association work. He suggested that in connection with the work

of the Agricultural Committee, it would be consistent and highly profitable to take up the matter of procuring for the State better roads and larger appropriations for road construction. Reports of the various committees covering their work for the year were also submitted.

"The Bankers' Interest in State Control of Public Utilities" was the subject of an address by Parker S. Williams, of Philadelphia, and Elbert Hubbard, of East Aurora, N. Y., talked on "Getting Together." "Resolved, That appropriate legislation should be enacted prohibiting any person from being an officer or director in more than one banking institution, State or National," was debated. The affirmative was taken by members of the Philadelphia Chapter of the American Institute of Banking—W. W. Allen, Jr., of the Philadelphia National Bank, and Edmund Williams, of the Tradesman's National Bank. The negative side of the question was taken by members of the Pittsburgh Chapter—Albert L. Eyler, of the Union National Bank, and Georg Rankin, Jr., of the Central National Bank, Wilkinsburg. The Pittsburgh men won the debate.

The convention adopted a resolution introduced by D. C. Wills, Cashier of the Diamond National Bank of Pittsburgh, recommending that the State banking department handle all bank receivings.

The Trust Company Section of the Association held its annual meeting on Saturday morning with C. J. Rhoads in the chair, and transacted routine business.

The entertainment features included a musical, baseball game between Western and Eastern Pennsylvania, band concert, vaudeville and smoker, golf and tennis tournaments and many other attractions.

The officers elected for the current year are as follows: President—L. T. McFadden, Cashier of the First National Bank, Canton; Vice-President—E. P. Passmore, Vice-President and Cashier of the Franklin National Bank, Philadelphia; Secretary—D. S. Kloss, Cashier of the First National Bank, Tyrone (re-elected); Treasurer—C. J. Nieman, Cashier of the First National Bank, Leechburg.

The Pennsylvania members of the American Bankers Association elected the following as members of the Executive Council to take office next fall: Charles S. Calwell, President Corn Exchange National Bank; Montgomery Evans, retiring President of the Association, and W. H. Painter, Cashier West Branch National Bank. A. S. Beymer, Vice-President and Cashier of the Keystone National Bank, Pittsburgh, was elected Vice-President for Pennsylvania, and H. W. Douglass, Cashier of the Beaver County Trust Company, as member of the Nominating Committee.

NEW ENGLAND:

A JOINT meeting of the State Bankers' Associations of the New England States was held at the Hotel Wentworth, New Castle, N. H., on Saturday, June 27th.

On Friday evening at seven o'clock a banquet was tendered to the members and the ladies at which Charles P. Blinn, Jr., President of the Massachusetts Association, acted as toastmaster, the banqueters being addressed by John Kendrick Bangs and Frederick P. Fish.

The banquet was especially enjoyable and afforded a timely opportunity for social intercourse between the bankers and their ladies from these three States.

At nine o'clock on Saturday morning separate meetings were held by the Maine, New Hampshire and Massachusetts Associations, the sessions being short and only business of a routine nature transacted.

On the adjournment of the meetings a joint session was held which was called to order by Mr. Blinn and presided over by Arthur M. Heard, President of the New Hampshire Association.

William E. Knox, Comptroller of the Bowery Savings Bank of New York, made an address, taking for his subject "Savings Banks"; Arthur P. Chapin, Vice-President of the American Trust Company of Boston, talked on "Trust Companies"; and O. Howard

Wolfe, Secretary of the Clearing House Section of the American Bankers Association, spoke on "The Federal Reserve Act."

The delegates engaged in a discussion on banking topics of mutual interest, which developed the fact that annual gatherings of this nature would without doubt be of great value and interest to all those who participated. It was decided, therefore, by unanimous vote that it was the sense of the meeting that these joint meetings should be held each year.

On Saturday the visitors were entertained by a trip on the water in the afternoon and a ball at the Hotel Wentworth in the evening. The guests also availed themselves of the very fine golf links and tennis courts.

The officers elected at the meetings of the Maine, New Hampshire and Massachusetts Associations for the current year will be published in the August issue of the JOURNAL-BULLETIN.

PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS.

The Indiana Bankers' Association,
Office of the Secretary.

Indianapolis, Ind., June 12, 1914.

STOLEN.

Certificate of Deposit, No. 9898, for \$5,000, dated November 13, 1913, issued by the Indiana Trust Company, Indianapolis, to the order of C. H. Adam, Secretary, and endorsed by him to George P. Townsend, was stolen from Mr. Townsend's room last night. Anyone presenting this certificate should be apprehended.

LOOK OUT.

Look out for a party named C. H. Dunn, who is passing checks in this State drawn on the Farmers State Bank, Matthews, Ind., where he at one time had a small account. Be on your guard all the time and do not cash his checks.

HEED THIS ADVICE—DO NOT CASH CHECKS FOR STRANGERS!

Look out for a party claiming to be Charles Myers. He has been issuing fraudulent checks in the southern part of the State drawn on the First National Bank, Seymour, Ind. Be on the alert.

Michigan Bankers' Association,
Office of the Secretary.

Detroit, Mich., June 6, 1914.
Bulletin 199.

WARNING NO. 1.

A party purporting to be L. E. Bruneau, M.D., has been operating in Grand Haven, having successfully cashed a check for \$25 at Hendrick's and Presley's, Druggists, on the First National Bank of Chicago. The check was returned "No Account." The party answers to the description of 35 years old, light hair and complexion, 5 feet 5 inches tall, speaks "broken German," claims to be a doctor and seems well versed in medicine.

WARNING NO. 2.

Members are warned against a party representing himself to be Harry B. Munn, who has been operating with success among the banks in Grand Rapids in the following manner: He usually deposits cash in the savings account and later in the day presents a check on another Grand Rapids bank, signed in one instance "J. C. Davis" to "Harry B. Munn," for \$180, and asked for \$8 in cash, making a deposit of \$172, which was entered on his book.

The day following, before clearing house hours, he presented a check for \$98.50, signed "R. M. Crowley," on a bank in Grand Rapids, and exhibited his savings book as identification, and was paid the money by the paying teller. The signature to another check for \$98.50, cashed at one of the banks, was signed by "A. C. Smith."

He answers to the description of 35 to 40 years

of age, dark complexion, 5 feet 6 inches tall, weight about 175.

WARNING NO. 3.

A party representing himself to be Mat Hoga, of the firm of Hoga & Williamson, Gladstone, Mich., purchased a bill of goods at a shoe factory in Menominee, giving a check in payment on the Exchange Bank of Gladstone, Mich.

After closing the transaction, he requested the shoe firm to cash a check for \$100, and on being informed that they did not have that much cash in the office, he requested them to give him a letter to the bank verifying his signature, which was done. The check was cashed, but a message from the Gladstone bank advised them that the checks were forgeries.

This party's real name is not Mat Hoga, but the members of the firm at Gladstone are of the opinion it is some one they know and one who is well posted in the shoe business and talks in a very plausible manner.

Please advise this office promptly if any of the above parties are apprehended.

Party "Phil Fare," mentioned in Bulletin 188, forging check at Allen, presented check at Bronson—refused. He was recognized from our description and placed under arrest. He has admitted forging Quincy and Allen checks, and is now jailed at Coldwater.

Missouri Bankers' Association,
Office of the Secretary.

Sedalia, Mo., June 23, 1914.

\$100 REWARD!

To Members M. B. A., Sheriffs and Police Officers:

Members of the Association at Holland and Steele report that they have been defrauded by cashing checks or sight drafts for a man claiming to represent the National Lumber Company of St. Louis. One of the defrauded members gives us the following description:

Name, J. B. Davis; nationality, appears to be foreigner; weight, about 145; height, about 5 feet 6 inches; complexion, rather dark; style of beard, short stubby mustache—may shave mustache, however; features, thin roman nose.

The checks or drafts used by Davis are drawn on forms of the German-American Bank of St. Louis. "The National Lumber Co Saint Louis Mo" is stamped in the lower left-hand corner, and they are signed "G. E. Gause, M'gr," payable to "J. B. Davis."

In presenting the check cashed by our member at Steele, Davis claimed that it was for expense money, and stated he was endeavoring to dispose of a carload of lumber that had been shipped to Memphis, Tenn., and had been refused acceptance by the consignee.

For the apprehension and conviction of Davis on either one of the crimes charged above, the Missouri Bankers' Association offers a reward of fifty dollars (\$50), reward to remain in force for a period of one year from date of this notice and to be paid according to the by-laws and rules of said Association.

In addition to the above reward, our member at Steele advises us it will pay a reward of fifty dollars (\$50) for the "arrest and delivery" of Davis on the crime charged by that bank.

Arrest, and wire this office.

LOST OR STOLEN.

Time Certificate of Deposit No. 3783, \$50, dated April 22, 1914, issued by the Bank of Gordenville, Gordenville, Mo., payable to Christ Gross.

AT a meeting of the members of the American Bankers Association in Texas, F. F. Downs, President of the First National Bank, Temple, was named a third member of the Executive Council, provided Texas has the requisite number of members in the fall. P. B. Doty, Vice-President of the Gulf National Bank, Beaumont, was elected Vice-President for Texas, and A. W. Wilkinson, Cashier of the City National Bank, Bryan, as member of the Nominating Committee, with R. E. Huff, President of the First National Bank, Wichita Falls, as alternate.

STATE BANKERS ASSOCIATIONS

(Revised to July 1, 1914.)

ALABAMA—ORGANIZED 1892.

President—G. L. COMER, Vice-President Bank of Eufaula, Eufaula.
Vice-President—JAMES KEITH, Jr., Vice-President Anniston City National Bank, Anniston.
Secretary-Treasurer—MCLANE TILTON, Jr., President First National Bank, Pell City.

† ARIZONA—ORGANIZED 1903.

President—ALBERT STEINFELD, President Consolidated National Bank, Tucson.
Vice-President—W. C. FOSTER, Secretary Phoenix Savings Bank & Trust Company, Phoenix.
Secretary—MORRIS GOLDWATER, President Commercial Trust & Savings Bank, Prescott.
Treasurer—LLOYD B. CHRISTY, Cashier Valley Bank, Phoenix.

ARKANSAS—ORGANIZED 1891.

President—GEORGE W. ROGERS, Cashier Bank of Commerce, Little Rock.
Vice-President—CARL HOLLIS, Cashier Merchants & Planters Trust & Savings Bank, Warren.
Secretary—ROBERT E. WAIT, President Citizens Investment & Security Company, Little Rock.
Treasurer—LLOYD R. BYRNE, Cashier Merchants & Farmers Bank, Dumas.

CALIFORNIA—ORGANIZED 1891.

President—R. M. WELCH, Vice-President Savings Union Bank & Trust Company, San Francisco.
Vice-President—CHARLES A. SMITH, Cashier Security Bank, Oakland.
Secretary—FREDERICK H. COLBURN, 1064 Mills Building, San Francisco.
Treasurer—W. H. HIGH, Assistant Cashier Anglo & London-Paris National Bank, San Francisco.

COLORADO—ORGANIZED 1902.

President—JAMES C. BURGER, Cashier Hamilton National Bank, Denver.
Vice-President—THEODORE G. SMITH, Vice-President International Trust Company, Denver.
Secretary—PAUL HARDEY, Cashier Interstate Trust Company, Denver.
Treasurer—WESLEY STALEY, Cashier First National Bank, Arvada.

CONNECTICUT—ORGANIZED 1899.

President—N. D. PRINCE, President and Cashier Windham County National Bank, Danielson.
Vice-President—W. H. DOUGLASS, President Mechanics Bank, New Haven.
Secretary—CHARLES E. HOYT, Cashier South Norwalk Trust Company, South Norwalk.
Treasurer—HENRY B. NOYES, Cashier Mystic River National Bank, Mystic.

† DELAWARE—ORGANIZED 1913.

President—JOHN H. DANBY, President Union National Bank, Wilmington.
Vice-President—JOHN B. SMITH, Cashier First National Bank, Milford.
Secretary-Treasurer—CALEB M. SHEWARD, Vice-President Wilmington Trust Company, Wilmington.

DISTRICT OF COLUMBIA—ORGANIZED 1901.

President—B. F. SAUL, President Home Savings Bank, Washington.
First Vice-President—GEORGE E. FLEMING, Vice-President Union Trust Company, Washington.
Second Vice-President—W. T. GALLIHER, President American National Bank, Washington.
Secretary—JOHN POOLE, President Federal National Bank, Washington.
Treasurer—ALBERT S. GATELY, Cashier Lincoln National Bank, Washington.

† This year's convention not yet held.

FLORIDA—ORGANIZED 1889.

President—HENRY G. AIRD, Vice-President Guaranty Trust & Savings Bank, Jacksonville.
Vice-Presidents—M. E. CLARK, Pensacola; W. L. WEAVER, Perry; ARTHUR F. PERRY, Jacksonville; E. A. LATHAM, New Smyrna; E. L. WIRT, Bartow.
Secretary-Treasurer—GEORGE R. DESAUSSURE, Vice-President Barnett National Bank, Jacksonville.

GEORGIA—ORGANIZED 1892.

President—L. G. COUNCIL, President Planters Bank, Americus.
Vice-Presidents—F. S. ETHERIDGE, Jackson; CHARLES B. LEWIS, Macon; RUFUS H. BROWN, Augusta; JOSEPH W. HEFFERNAN, Savannah; O. B. BISHOP, Adairsville.
Secretary—HAYNES McFADDEN, Atlanta.
Treasurer—E. C. SMITH, Vice-President and Cashier Griffin Banking Company, Griffin.

IDAHO—ORGANIZED 1905.

President—FRANK H. PARSONS, Cashier Pacific National Bank, Boise.
Vice-President—M. J. FLOHR, Vice-President First National Bank, Wallace.
Secretary—J. W. ROBINSON, Secretary Union Savings & Trust Company, Boise.
Treasurer—M. F. ALBERT, Cashier First National Bank, Payette.

† ILLINOIS—ORGANIZED 1880.

President—S. B. MONTGOMERY, President State Savings Loan & Trust Company, Quincy.
Vice-President—J. S. AISTHORPE, President First Bank & Trust Company, Cairo.
Secretary—R. L. CRAMPTON, 1030-1032 The Rookery, Chicago.
Treasurer—C. H. FOX, Asst. Secretary Chicago Savings Bank & Trust Company, Chicago.

† INDIANA—ORGANIZED 1897.

President—M. S. SONNTAG, President American Trust & Savings Bank, Evansville.
Vice-President—JOHN P. FRENZEL, JR., Vice-President Merchants National Bank, Indianapolis.
Secretary—ANDREW SMITH, Vice-President Indiana National Bank, Indianapolis.
Treasurer—GUY R. BRACKIN, Cashier Farmers Deposit Bank, Montpelier.

IOWA—ORGANIZED 1887.

President—J. L. EDWARDS, President Merchants National Bank, Burlington.
Vice-President—JAMES MACKEY, Cashier Union Savings Bank, Sigourney.
Secretary—P. W. HALL, Des Moines.
Treasurer—E. H. FURROW, Cashier Merchants National Bank, Cedar Rapids.

KANSAS—ORGANIZED 1887.

President—E. E. MULLANEY, President Farmers & Merchants Bank, Hill City.
Vice-President—C. E. LOBDELL, President First National Bank, Great Bend.
Secretary—W. W. BOWMAN, Topeka.
Treasurer—FRED H. QUINCY, President Planters State Bank, Salina.

† KENTUCKY—ORGANIZED 1891.

President—FRANK M. GETTYS, Vice-President and Cashier Union National Bank, Louisville.
Secretary—ARCH B. DAVIS, American National Bank Building, Louisville.
Treasurer—HENRY D. ORMSBY, Cashier National Bank of Kentucky, Louisville.

LOUISIANA—ORGANIZED 1900.

President—ANDREW QUERBES, President First National Bank, Shreveport.
Vice-President—L. M. POOL, Vice-President Hibernia Bank & Trust Company, New Orleans.
Secretary—L. O. BROUARD, President Bank of Abbeville, Abbeville.
Treasurer—ARTHUR T. KAHN, Cashier Commercial National Bank, Shreveport.

INCLUDING BULLETIN OF THE AMERICAN INSTITUTE OF BANKING

* MAINE—ORGANIZED 1900.

President—JOHN R. GOULD, Director Augusta Trust Company, Augusta.
Vice-President—SEWALL D. MADDOCKS, Cashier First National Bank, Boothbay Harbor.
Secretary—HASCALL S. HALL, Treasurer Kennebec Trust Company, Waterville.
Treasurer—GEORGE A. SAFFORD, Treasurer Kenduskeag Trust Company, Bangor.

MARYLAND—ORGANIZED 1896.

President—GEORGE R. GEHR, Cashier First National Bank, Westminster.
Vice-President—HARVEY L. COOPER, President Denton National Bank, Denton.
Secretary—CHARLES HANN, Asst. Cashier Merchants Mechanics National Bank, Baltimore.
Treasurer—WILLIAM MARRIOTT, Cashier Western National Bank, Baltimore.

* MASSACHUSETTS—ORGANIZED 1905.

President—CHARLES P. BLINN, Jr., Vice-President National Union Bank, Boston.
Vice-President—RALPH P. ALDEN, Cashier Springfield National Bank, Springfield.
Secretary—GEORGE W. HYDE, Asst. Cashier First National Bank, Boston.
Treasurer—J. H. GIFFORD, Cashier Merchants National Bank, Salem.

MICHIGAN—ORGANIZED 1887.

President—CHARLES H. BENDER, Vice-President Grand Rapids National City Bank, Grand Rapids.
First Vice-President—A. G. BISHOP, President Genesee County Savings Bank, Flint.
Second Vice-President—W. J. GRAY, Vice-President First and Old Detroit National Bank, Detroit.
Secretary—MRS. H. M. BROWN, 1313 Ford Building, Detroit.
Treasurer—FRED H. ORCUTT, Vice-President Alpena National Bank, Alpena.

MINNESOTA—ORGANIZED 1887.

President—W. D. WILLARD, Cashier First Natinal Bank, Mankato.
Vice-President—O. W. LUNDSTEN, President Bank of Hutchinson, Hutchinson.
Secretary—GEORGE H. RICHARDS, 611 Bank of Commerce Building, Minneapolis.
Treasurer—J. H. PONSFORD, Cashier State Bank of Watertown, Watertown.

MISSISSIPPI—ORGANIZED 1889.

President—HENRY HART, President Bank of Winona, Winona.
Vice-President—S. J. HIGH, Cashier Peoples Bank & Trust Company, Tupelo.
Secretary—T. H. DICKSON, Vicksburg.
Treasurer—E. P. PEACOCK, Cashier Bank of Clarksdale, Clarksdale.

MISSOURI—ORGANIZED 1891.

President—RICHARD S. HAWES, Vice-President Third National Bank, St. Louis.
Vice-President—W. C. GORDON, Cashier Farmers Savings Bank, Marshall.
Secretary—W. F. KEYSER, Sedalia.
Treasurer—THORNTON COOKE, Vice-President Fidelity Trust Company, Kansas City.

† MONTANA—ORGANIZED 1904.

President—D. R. PEELER, President Bank of Commerce, Kalispell.
Vice-President—C. W. BUTLER, President State National Bank, Miles City.
Secretary-Treasurer—MARK SKINNER, Cashier Commercial National Bank, Great Falls.

NEBRASKA—ORGANIZED 1890.

President—J. R. CAIN, Jr., President State Bank, Stella.
Secretary—WILLIAM B. HUGHES, Manager Omaha Clearing House, Omaha.
Treasurer—W. E. RHOADES, Cashier United States National Bank, Omaha.

* New officers not reported at this date.

† This year's convention not yet held.

NEVADA—ORGANIZED 1908.

President—A. E. KIMBALL, President First National Bank, Elko.
Vice-President—C. W. FOOTE, Cashier Churchill County Bank, Fallon.
Secretary—J. W. DAVEY, Asst. Secretary Reno Clearing House Association, Reno.
Treasurer—J. T. GOODIN, Cashier First National Bank, Lovelocks.

* NEW HAMPSHIRE—ORGANIZED 1913.

President—ARTHUR M. HEARD, President Amoskeag National Bank, Manchester.
Secretary—CHARLES W. BREWSTER, Cashier First National Bank, Concord.
Treasurer—HAERY H. DUDLEY, Cashier Mechanicks National Bank, Concord.

NEW JERSEY—ORGANIZED 1903.

President—I. SNOWDEN HAINES, Cashier Mechanics National Bank, Burlington.
Vice-President—EDWARD S. PIERSON, President Greenville Banking & Trust Company, Jersey City.
Secretary—WILLIAM J. FIELD, Secretary and Treasurer Commercial Trust Company, Jersey City.
Treasurer—JOHN D. EVERITT, President Orange National Bank, Orange.

NEW MEXICO—ORGANIZED 1905.

President—D. T. HOSKINS, Cashier San Miguel National Bank, East Las Vegas.
Vice-President—J. B. HERNDON, President State National Bank, Albuquerque.
Secretary—J. C. CHRISTENSEN, Raton.
Treasurer—ROY McDONALD, Cashier State National Bank, Albuquerque.

NEW YORK—ORGANIZED 1894.

President—JAMES H. PERKINS, President National Commercial Bank, Albany.
Vice-President—JOHN A. KLOEPFER, President Union Stockyards Bank, Buffalo.
Secretary—WILLIAM J. HENRY, 11 Pine Street, New York City.
Treasurer—JOHN H. GREGORY, Vice-President Central Bank, Rochester.

NORTH CAROLINA—ORGANIZED 1897.

President—THOMAS E. COOPER, President American National Bank, Winston.
Vice-Presidents—J. L. ARMFIELD, Thomasville; W. S. BLAKENEY, Monroe; W. B. DRAKE, JR., Raleigh.
Secretary-Treasurer—WILLIAM A. HUNT, Cashier Citizens Bank, Henderson.

NORTH DAKOTA—ORGANIZED 1903.

President—J. J. NIERLING, President Citizens National Bank, Jamestown.
Vice-President—W. D. MCCLINTOCK, President Merchants Bank, Rugby.
Secretary—W. C. MACFAADDEN, Fargo.
Treasurer—J. J. EARLEY, President Bank of Valley City, Valley City.

OHIO—ORGANIZED 1891.

President—E. L. COEN, Vice-President Erie County Banking Company, Vermilion.
Vice-President—O. N. SAMS, President Merchants National Bank, Hillsboro.
Secretary—MAJOR S. B. RANKIN, President Bank of South Charleston, South Charleston. Office of the Assn., 805 Wyandotte Bldg., Columbus.
Treasurer—HARRY T. HALL, Vice-President Dollar Savings Bank Company, East Liverpool.

OKLAHOMA—ORGANIZED 1897.

President—H. M. SPALDING, President Peoples Bank, North End.
First Vice-President—T. H. DWYER, President Chickasha National Bank, Chickasha.
Second Vice-President—H. A. McCUALEY, President Sapulpa State Bank, Sapulpa.
Secretary—W. B. HARRISON, Colcord Building, Oklahoma City.
Treasurer—J. W. TETER, President First National Bank, Bristow.

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

OREGON—ORGANIZED 1905.

President—A. C. SHUTE, President American National Bank, Hillsboro.
Vice-President—J. M. POORMAN, Cashier Bank of Woodburn, Woodburn.
Secretary—J. L. Hartman, Hartman & Thompson, Bankers, Portland.
Treasurer—W. H. BENNETT, Vice-President First Trust & Savings Bank, Klamath Falls.

PENNSYLVANIA—ORGANIZED 1894.

President—L. T. McFADDEN, Cashier First National Bank, Canton.
Vice-President—E. P. PASSMORE, Vice-President and Cashier Franklin National Bank, Philadelphia.
Secretary—D. S. KLOSS, Cashier First National Bank, Tyrone.
Treasurer—C. J. NIEMAN, Cashier First National Bank, Leechburg.

* SOUTH CAROLINA—ORGANIZED 1901.

President—BRIGHT WILLIAMSON, President Bank of Darlington, Darlington.
Vice-President—C. J. SHANNON, JR., President First National Bank, Camden.
Secretary-Treasurer—LEE G. HOLLEMAN, President Peoples Bank, Anderson.

SOUTH DAKOTA—ORGANIZED 1886.

President—S. T. KIDDOO, Cashier Sioux Falls National Bank, Sioux Falls.
Vice-President—N. E. FRANKLIN, President First National Bank, Deadwood.
Secretary—J. E. PLATT, President Security Bank, Clark.
Treasurer—ALEX HIGHLAND, Vice-President Aberdeen National Bank, Aberdeen.

TENNESSEE—ORGANIZED 1890.

President—P. D. HOUSTON, Vice-President Fourth & First National Bank, Nashville.
Vice-Presidents—W. N. MAGILL, Madisonville; S. S. McCONNELL, Lewisburg; R. L. GOOLSBY, Greenfield.
Secretary—F. M. MAYFIELD, Nashville.
Treasurer—W. H. FEATHERSTON, Cashier First National Bank of Franklin County, Decherd.

TEXAS—ORGANIZED 1885.

President—J. A. PONDROM, Vice-President Texarkana National Bank, Texarkana.
Vice-Presidents—CHARLES H. STROECK, Beaumont; KARL H. WORD, Mathis; ROBERT J. ECKHARDT, Taylor; GEORGE S. MCGHEE, Waco; W. G. HAYES, Mount Pleasant; W. C. DEW, Goldthwaite; R. H. COLLIER, Amarillo.
Secretary—J. W. HOOPES, Vice-President and Cashier City National Bank, Galveston.
Treasurer—GEORGE D. CAMPBELL, Vice-President State Bank & Trust Company, San Antonio.
Assistant Secretary—LYDIA LITTMAN, Galveston.

* New officers not reported at this date.

† This year's convention not yet held.

NEVADA BANKERS' ASSOCIATION.

AT the recent convention of this Association the following officers were elected for the current year: *President*—A. E. Kimball, President of the First National Bank, Elko; *Vice-President*—C. W. Foote, Cashier of the Churchill County Bank, Fallon; *Secretary*—J. W. Davey, Assistant Secretary of the Reno Clearing House Association, Reno (re-elected); *Treasurer*—J. T. Goodin, Cashier of the First National Bank, Lovelock.

At a meeting of the members of the American Bankers Association, George Wingfield was re-elected *Vice-President* for Nevada.

UTAH—ORGANIZED 1909.

President—CHARLES S. BURTON, Vice-President Utah State National Bank, Salt Lake City.
First Vice-President—H. E. HATCH, President Thatcher Brothers Banking Company, Logan.
Second Vice-President—F. C. JENSEN, Vice-President Mount Pleasant Commercial & Savings Bank, Mount Pleasant.
Secretary-Treasurer—J. E. SHEPARD, Cashier Cache Valley Banking Company, Logan.

VERMONT—ORGANIZED 1909.

President—HENRY F. FIELD, President Rutland County National Bank, Rutland.
Vice-President—H. M. McFARLAND, Vice-President Lamoille County National Bank, Hyde Park.
Secretary—C. S. WEBSTER, Treasurer Barton Savings Bank & Trust Company, Barton.
Treasurer—D. L. WELLS, Cashier First National Bank, Orwell.

VIRGINIA—ORGANIZED 1893.

President—W. B. VEST, Cashier Citizens & Marine Bank, Newport News.
Vice-President—C. E. TIFFANY, President Fauquier National Bank, Warrenton.
Secretary—WALTER SCOTT, Cashier Planters Bank, Farmville.
Treasurer—JULIEN H. HILL, Cashier National State & City Bank, Richmond.

WASHINGTON—ORGANIZED 1899.

President—ROBERT MOODY, Vice-President First National Bank, Everett.
Vice-President—H. C. LUCAS, Vice-President Yakima Trust Company, North Yakima.
Secretary—W. H. MARTIN, Cashier Pioneer National Bank, Ritzville.
Treasurer—N. B. HANNAY, Vice-President First National Bank, Mount Vernon.

WEST VIRGINIA—ORGANIZED 1895.

President—H. W. CHADDUCK, Cashier Grafton Banking & Trust Company, Grafton.
Vice-President—R. E. TALBOTT, Cashier Citizens National Bank, Philippi.
Secretary-Treasurer—JOSEPH S. HILL, Cashier National City Bank, Charleston.

† WISCONSIN—ORGANIZED 1892.

President—H. A. MOEHLERPAH, Cashier Citizens Bank, Clinton.
Vice-President—EARL PEASE, Cashier First National Bank, Grand Rapids.
Secretary—GEORGE D. BAILETT, 307 Pabst Building, Milwaukee.
Treasurer—H. J. MAXWELL, Cashier Princeton State Bank, Princeton.

† WYOMING—ORGANIZED 1908.

President—C. R. MASSEY, Vice-President Bank of Commerce, Sheridan.
Vice-President—JAMES M. RUMSEY, President Stock Growers National Bank, Rawlins.
Secretary—H. VAN DEUSEN, Cashier Rock Springs National Bank, Rock Springs.
Treasurer—BOISE HART, President Pioneer Trust & Savings Bank, Basin.

ALABAMA BANKERS' ASSOCIATION.

AT the recent convention of this Association the following officers were elected for the current year: *President*—G. L. Comer, President Bank of Eufaula; *Vice-President*—James Keith, Jr., Vice-President Anniston City National Bank, Anniston; *Secretary-Treasurer*—McLane Tilton, Jr., President First National Bank, Pell City (re-elected).

MISSOURI 1915 CONVENTION.
THE Missouri Bankers' Association will hold its 1915 convention on May 25th and 26th. If, however, it is decided later to have a three days' meeting, it will be May 24th, 25th and 26th.



KEEP THIS LIST FOR REFERENCE.

The Association Library will loan material on any of the following subjects to officers and employees of member banks and to students of the American Institute of Banking.

Acceptances.	Cuba.	Norway.	Credit Insurance.
Accounting.	Denmark.	Nova Scotia.	Credit Statements.
Accounting, Municipal.	Egypt.	Paraguay.	Currency Question, United States.
Advertising—	Europe.	Persia.	A. B. A.; Aldrich; Fowler, etc., Bills.
Bank.	France.	Peru.	
Savings Banks.	Germany.	Philippine Islands.	Days of Grace.
Safe Deposit.	Great Britain.	Porto Rico.	Defalcation.
Trust Companies.	Greece.	Prussia.	Deferred Payments.
Agricultural Credit—	Japan.	Russia.	Department Store Banks.
Belgium.	Hawaii.	Scotland.	Deposit Currency.
Ireland.	Honduras.	South America.	Depositories—
Brazil.	India.	Spain.	Government.
Egypt.	Ireland.	Sweden.	Municipal.
England.	Philippines.	Switzerland.	State.
France.	Prussia.	United States.	Depositors.
Germany.	United States.	New Zealand.	Discount and Rediscount.
India.		Banks and Banking, Ancient.	Dividends.
Agricultural Education.		Banks and Banking, International.	Drafts.
Agricultural Extension by Bankers.		Bills of Exchange.	
Agriculture.		Bills of Lading.	Economics.
American Bankers Association.		Bimetallism.	Education, Bank.
American Institute of Banking.		Biography (of bankers).	Education, Business.
American Monetary League.		Blue Sky Laws.	Education, Vocational.
Amortization.		Boards of Trade.	Efficiency and Scientific Management.
Arbitrage.		Bond Department.	Endorsements.
Arbitration, Commercial.		Bonds—	Exchange.
Assaying.		Collateral.	Exchange, Foreign.
Asset Currency.		County.	Express Companies.
Automobile Banks.		Depository.	Extradition.
Balance of Trade.		Drainage.	Farm Bureaus.
Bank Accounts.		Electric.	Farm Clubs.
Bank Buildings—		Forgery.	Farm Life.
Furniture and Equipment.		Government.	Farm Mortgage Bankers' Association.
Lighting.		Industrial.	Farming.
Bank Charters.		Surety.	Farm Women.
Bank Concentration and Mergers.		Irrigation.	Federal Reserve System—
Bank Deposits.		Mortgage.	Administration, Foreign
Bank Employees.		Bookkeeping.	Amendments, Branches.
Bank Examination and Supervision.		Branch Banking.	Bank Examination, Gold.
Bank Failures.		Building and Loan Associations.	Interest, Rate of.
Bank Liens.		Bulk Sales.	Note Issue.
Bank Notes.		Business.	Organization.
Bank of Amsterdam.		Business Conditions.	Private Banks.
Bank of England.		Business Ethics.	Regional Banks.
Bank of France.		Capital.	Reserves.
Bank of Genoa.		Central Bank.	Comment.
Bank of the United States.		Checks.	State Banks.
Bank of Venice.		Checks, Postal.	Transits and Collections.
Bank Reports.		Checks, Voucher.	Trust Companies.
Bank Officers.		Clearing House.	
Bank Profits.		Clearing House Certificates.	Finance.
Bank Protection.		Clearing House Currency.	Finance, Municipal.
Bank Runs.		Clearing House Examination.	Finger Print Identification.
Bank Statements.		Clearing House Reports.	Frauds and Forgery.
Bank Stock.		Commerce.	Free Banking System.
Bankers.		Commercial Paper.	
Bankers' Associations—		Consols.	Gold.
Canada.	Germany.	Co-operation.	Gold (as money).
England.	United States.	Co-operative Banking.	Gold Banks.
Banking by Mail.		Corporations.	Gold Certificates.
Banking Ethics.		Cotton Financing.	Government Regulation of Industry.
Banking Law.		Counterfeiting.	
Bankruptcy.		Credit.	
Banks and Banking—		Credit Bureau.	
Africa, South.	Australia.	Credit Currency.	
Alaska.	Austria.	Credit Department.	
Argentine Re-public.	Belgium.		
Australia.	Canada.		
	China.		

Grain and Grain Exchanges.	Overdrafts.	Statistics.
Greenbacks.		Stock Exchange.
Guaranty of Bank Deposits.		Stock Holders' Association.
Hoarding.		Stock Transfers.
Holding Companies.		Stocks.
Immigrant Banks.	Panics.	Stocks, Industrial.
Income.	Pawnshops.	Stocks, Railroad.
Independent Treasury.	Pensions.	Suffolk Bank System.
Indianapolis Monetary Commission.	Postal Savings Banks.	Tariff.
Inheritance.	Practical Banking.	Taxation—
Insurance, Bank Deposits.	Practical Banking,	Bank.
Insurance, Burglary.	Card Systems.	Corporation.
Insurance, Fidelity.	Forms and Records.	Income.
Insurance, Life.	Mail Department.	Inheritance.
Insurance, Mail.	Note Teller.	Mortgage.
Insurance, Savings Bank.	Pass Books.	Securities.
Insurance, Title.	Teller—Paying.	Thrift.
Interest.	Teller—Receiving.	Torrents System.
Interest on Bank Deposits.	Woman's Department.	Transits and Collections.
Interest on Bank Loans.	Precious Metals.	Travelers' Cheques.
Interlocking Directorates.	Prices.	Trust Companies—
Investment Bankers' Association.	Private Banks.	Accounting and Auditing.
Investments.	Produce Exchanges.	Banking.
Joint Accounts.	Profit.	Bond.
Labor and Capital.	Profit Sharing.	Department.
Land.	Promissory Notes.	Deposits.
Land Titles.	Property.	Examination.
Latin Monetary Union.	Prosperity.	Failures.
Law.	Public Service Corporations.	Fees.
Legal Tender.	Railroads.	Forms.
Letters of Credit.	Railroads, Street.	Fraternal.
Loans.	Real Estate.	Department.
Loans, Cattle.	Receivers' Certificates.	Investments.
Loans, Collateral.	Receivingships.	Law.
Loans, Real Estate.	Redemption.	Methods.
Loans, Remedial.	Reserves.	Real Estate
Luxury and Extravagance.	Rent.	Department.
Marketing.	Resumption of Specie Payments.	Trust Companies and Banks.
Mints.	Roads.	Trust Companies and Clearing Houses.
Money—	Safe Deposit.	Trust Companies and Currency Reform.
In different countries.	Safes and Vaults.	Trust Companies and Postal Savings Banks.
Money, Coins.	Safety-fund System.	Trust Deeds.
Money, Currency.	Savings Banks—	Trust Deposits.
Money, United States.	Accounting and Auditing.	Trustee Companies.
Money, United States—Coins.	Administration.	Trusteeship.
Money, United States—Currency.	Amortization.	Trusts.
Money Congresses.	Dividends.	Underwriting.
Money Market.	Examination and Supervision.	United States—
Money Orders, Bank.	Failures.	Revenue.
Money Orders, Express.	Interest.	Treasury Department.
Mortgages.	Investments.	Value.
Mortgages, Chattel.	Law.	Wages.
Multiple Standard.	Methods and Systems.	Wall Street.
Municipal Banks and Banking.	Organization.	Warehouse Receipts.
National Citizens' League.	School.	Warehouses.
National Monetary Commission.	Taxation.	Waterpower.
National Reserve Association.	Trust Accounts.	Waterways.
Negotiable Instruments.	Savings Deposits.	Wealth.
Negro Banks.	Savings Plans.	Weights and Measures.
Note Kiting.	Savings Societies.	Wills.
	Securities.	Women and Banking.

LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

INTERLOCKING DIRECTORATES.

H. R. 15657, Section 9 of which contains provisions relating to interlocking directorates of banks, passed the House on June 5th and went to the Senate, where on the same day it was referred to the Committee on the Judiciary, instead of to the Committee on Interstate Commerce, which received the other two Anti-Trust bills contemporaneously coming from the House, namely, the Interstate Trade Commission bill and the Railway Stock and Bond bill.

The Senate Judiciary Committee have been considering H. R. 15657 in executive session and there have been no public hearings. On June 22d, General Counsel visited Washington in relation to the Interlocking Directorate features of the bill, following which he prepared a brief, urging the elimination or modification of Section 9 so far as it relates to interlocking directorates of banks, which was filed with the committee on June 27th. Copies of the brief were tendered each member of the committee and acknowledgments received from a considerable number of such members that the memorandum submitted would be given careful and serious consideration.

At this writing (July 1st) the subject is still under consideration in the committee and there is good reason to believe that if Section 9 is not entirely eliminated, it will at all events be materially modified. It is not at all unlikely that the suggestion approved by our Committee on Federal Legislation and Executive Council that a sufficient regulation of the subject is by conferring power upon the Federal Reserve Board, upon proof of Anti-Trust or monopolistic practices upon the part of any bank officer, to regulate the same by discontinuance of the practices or removal of the officer, will be deemed by the Judiciary Committee the best way of regulating the subject, if they decide that any legislation at all is needed. In this connection the "New York Journal of Commerce" of June 29th publishes the following from its Washington correspondent:

BANKS SEEK TO KEEP LINKED DIRECTORATES. URGE THEY BE EXEMPTED FROM CLAYTON BILL.

AMERICAN BANKERS ASSOCIATION IN BRIEF POINTS OUT THAT NEW BANKING SYSTEM WILL PREVENT UNDUE CONTROL — JUDICIARY COMMITTEE EXPECTED TO COMPROMISE MATTERS.

WASHINGTON, June 28 (Special).—Copies of a brief for the American Bankers Association in opposition to that section of the anti-trust law relating to interlocking directorates have been filed with the Senate Judiciary Committee, which is considering the Clayton anti-trust bill in executive session. The brief is a memorable document inasmuch as it contains, in addition to the argument opposing any restriction against common directors in banks, letters from bankers in all sections of the country stating specifically how the proposed law would injure them. (The despatch here quotes at length from the brief, and then continues):

The brief made a profound impression upon members of the Judiciary Committee, and it was reported that very likely the committee will be willing to compromise the matter with the banks. It is felt that to compel the banks to eliminate interlocking directorates immediately would be a setback for the new Federal Reserve Act. It would act as an obstacle in the way of the operation of that act, as it would be a law tending to keep banks from coming into the new system. There are some members of the committee who would like to amend the provisions of the House bill in this regard and leave the whole question of interlocking directorates in banks to be determined by the Federal Reserve Board. Some of these go so far as to suggest that no legislation be enacted at all on this point, but that a clause be inserted directing the Federal Reserve Board to investigate the matter and suggest proper legislation.

As a compromise it has been suggested that the Federal Reserve Board be given power to order directors removed from the boards of member banks which the board finds that

their presence as directors for such member banks is detrimental to the free use of money and credit. If any compromise is made at all it is apparent that this final suggestion will be accepted. It is believed that it will be much more effectual than the House provision on this matter after all, because this clause in the House bill was loosely drawn and it is feared that it is full of "jokers."

The following editorial appearing in the New York "Sun" of June 30th is also of interest in this connection:

AN INFALLIBLE ADMINISTRATION AND SOME PLAIN BANKERS.

In his extraordinary discourse to the Virginia Editors Association the President made the following points: A tremendous recovery in business was impending. Uncertainty as to the legislative conditions of business indicated the only responsibility of politics for postponing the instant arrival of the imminent boom. The Administration had shown in its legislative program bearing on business that it knew what was good for business. Therefore the Administration could not be shaken in its intention to complete its scheme of business legislation at the present session of Congress in the so-called anti-trust bills which the Senate has under consideration.

The bulk of the Presidential argument was the argument from uncertainty as to what the statutory circumstances of business endeavor were to be. It might have been inferred from Mr. Wilson's address that he regarded uncertainty as to when laws would be passed and what they were to be as infinitely worse than unsound or destructive legislation. Of course the Administration's conception of its own program and of the nature of business forbids any such induction from the President's remarks, although it is a fact that uncertainty as to new legislation is not more harmful than ill advised legislation.

Mr. Wilson held that the tariff revision and the Federal Reserve Act were guarantees of the sanity and beneficence of the rest of the Administration's program of business law-making. He used these measures also as illustrating how much better business had become as soon as tariff revision and the currency bill were enacted. It would be brutal to shatter such a beautiful hypothesis by an allusion to the hard realities of the consequences of both tariff and banking legislation under the auspices of the Administration; by citing the depressing business effects of tariff revision exemplified in the country's foreign trade statements or by referring to the various ways in which the process of establishing the Federal reserve banks has operated on the one hand to accelerate revised tariff impulses toward huge gold exports, and on the other to compel the curtailment of credit accommodation among the thousands of country banks which was the direct cause of the stupendous Clafin failure.

We will accordingly let these features of the Administration prospectus pass just to touch upon the President's declaration that, "We know what we are doing; we propose to do it under the advice, for we have been fortunate enough to obtain the advice, of men who understand the business of the country, and we know that the effect is going to be a sense of relief and security."

The President did not name the wonderful Administration counselors who are not otherwise evident except through his assertion of their useful existence. He went on to ask, "How much better is certain [the italicized are his] justice to the men engaged in business?" that is, the subjection of business to longer continued agitation and uncertainty. Now comes a committee of bankers, not of New York, Chicago or St. Louis bankers, or bankers of any other large center; and this committee traverses the President's illustrious contentions and exalted inquiries with a most forcible demonstration that the Administration lawmakers do not know what they are doing and that the business depressing influences of pending legislation are not manifested in doubts inspired by uncertainty, but are comprised in the proof that the legislation will accomplish not justice but injustice.

There has just been filed with the Senate Judiciary Committee a memorandum or brief in behalf of the American Bankers Association urging the elimination or modification of Section 9 of the anti-trust bill which recently emanated from the House of Representatives so that the national banks will be relieved of the oppressions of the provision against interlocking bank directorates. The brief is signed by bankers in Kansas City, Kan.; High Point, N. C.; La Crosse, Wis.; Omaha, Neb.; Sioux City, Ia., and Cincinnati, Ohio.

It constitutes a powerful protest against the application

of the ban on interlocking directorates to banks and is presumably all the more formidable because it is a protest which in its origin is as remote from the fabled haunts of the mythical "Money Trust" as could be desired. Instead of enacting justice, the brief avers that Section 9, which had its genesis in the Pujo inquiry and was aimed to hit the larger financial centers, deals a widespread blow at banking and "unless changed will work great injury and injustice [the italics are ours] to hundreds of banks and bank officers."

Without reviewing the details of the brief, which is said in Washington despatches to have made a profound impression on the Senate Judiciary Committee, it is worth observing the recommendation of the bankers that if the new law is insisted upon Section 9 be so changed as to give the Federal Reserve Board explicit authority to take on occasion steps to prevent the destruction of competition between national banks and other banking institutions in granting or refusing credit. The bankers argue in substance that the proposed legislation is wholly unnecessary because the National Bank Act and the Federal Reserve Act provide all the powers of investigation and regulation necessary to cope with the situation which Section 9 contemplates, and it is more than probable that no legislation whatever is required to supplement the adequacy of the present statutes to prevent monopolistic developments in the banking field involving the national bank system.

The strength of the bankers' case against Section 9 is firmly founded in the incompatibility between two theories of lawmaking which have done much to unsettle economic conditions. There has already been more than one disastrous conflict between the principles of prohibition and of regulation which have governed statutory enactment in the business domain, and Section 9 of the new House anti-trust bill is a striking exhibition of the way in which lawmaking based on the theory of prohibition may clash with laws framed on the theory of regulation. For that matter the same menacing portents appear in the Administration's effort to travel two different roads at one and the same time by elaborating the prohibitions of the anti-trust law while projecting the supervising authority of a Federal trades commission over the organization and conduct of American business.

Yet we are persuaded that the Administration is as sure as God Almighty that it knows exactly what it is doing and how infallibly helpful to business the Presidential certitudes must be.

Following is a copy of the brief and appendices filed with the Senate Judiciary Committee:

MEMORANDUM IN BEHALF OF THE AMERICAN BANKERS ASSOCIATION FOR THE ELIMINATION OR MODIFICATION OF SECTION 9, H. R. 15657, SO FAR AS IT RELATES TO INTERLOCKING DIRECTORATES OF BANKS.

By Thomas B. Paton, General Counsel.

To the Members of the Committee on the Judiciary, United States Senate:

It is respectfully submitted that Section 9 of H. R. 15657 now before your Committee which, among other things, aims to prevent interlocking directorates of competing banks, as at present drawn, far overshoots the mark in the scheme of regulation proposed and that it should be entirely eliminated or at all events materially modified.

The provisions of the bill had their genesis in the investigation of the Pujo Committee and the underlying purpose in the framing of this legislation was to guard against the alleged menace of the concentration of credit by large financial corporations controlled by a small group of men; but the provisions as drawn go far beyond this purpose and unless changed will work great injury and injustice to hundreds of banks and bank officers in institutions which are non-competitive and where there is not the slightest possibility of the existence of any such evils as Section 9 is proposed to remedy.

In reporting this bill to the House the Committee on Judiciary dealing with Section 9 quoted from the message of the President, that

"We are all agreed that 'private monopoly is indefensible and intolerable,' and our program is founded upon that conviction. It will be a comprehensive but not a radical or unacceptable program, and these are its items, the changes which opinion deliberately sanctions and for which business waits:

It waits with acquiescence, in the first place, for laws which will effectually prohibit and prevent such interlockings of the personnel of the directorates of great corporations—banks and

railroads, industrial, commercial, and public-service bodies—as in effect result in making those who borrow and those who lend practically one and the same, those who sell and those who buy but the same persons trading with one another under different names and in different combinations, and those who affect to compete in fact partners and masters of some whole field of business. Sufficient time should be allowed, of course, in which to effect these changes of organization without inconvenience or confusion."

The report says that in drafting the provisions of Section 9, the Committee has endeavored to carry out the recommendations of the President and that the purpose of the provisions which relate exclusively to banks "is to prevent as far as possible control of great aggregations of money and capital through the medium of common directors between banks and banking associations, the object being to prevent the concentration of money or its distribution through a system of interlocking directorates."

The recommendation of the President in this regard was solely for laws to prevent monopoly by big business concerns—the interlocking of directors of "great corporations"—and this is the object which the provisions of Section 9 seek to carry out, for the House Committee which framed this section expressly states its purpose is to prevent the control of "great" aggregations of money and capital through the medium of common directors. Yet the provisions of Section 9, as drawn, would seriously injure not only great but small institutions all over the country which in no way participate in the evils complained of; they go far beyond the avowed purpose and needlessly and injuriously affect common officers and directors in institutions which do not and cannot possibly compete in the granting or refusing of credit nor aggregate their resources contrary to the public interest. Just how this will be so in detailed application may, probably, best be realized by statements from bankers themselves showing actual conditions upon which the proposed provisions would injuriously operate. Extracts from a number of these letters are appended, typical of hundreds of others, and the careful reading and weighing of the statements contained therein is respectfully urged.

Concerning interlocking directorates of banks, the bill contains

1. Special provisions for cities exceeding 100,000 population.
2. Provisions as to banks generally irrespective of locality.

Special Provisions for Cities Exceeding 100,000 Population

In the 61 cities in the United States exceeding 100,000 population, irrespective of capital, no director or officer of a national bank can be a private banker nor in any other bank in the same place, other than a mutual savings bank, except that he may be in not more than one other bank or trust company when the entire capital of one is owned by stockholders of the other.

There are numerous instances in most such cities where (1) an officer or director of a national bank in the financial center is also interested as a director or officer in a smaller bank in an outlying or different section of the city, where there is absolutely no competition between the two banks—the class of customers is different—and where his advice and judgment is valuable to the smaller institution. Why take him out of the little bank, weakening the institution by depriving it of the value of his experience, not to speak of the injury to his own stock investment? This is not a case of interlocking control of large competing corporations but one in which the connection of one officer with the two banks is beneficial to the community rather than the reverse. (2) Again, a national bank and a trust company or a stock savings bank are located in the same financial center, but they are not competing institutions because the business of one is confined to commercial loans and discounts and of the others to the execu-

tion of trusts, the making of loans on real estate or other kinds of investment which the national bank does not handle. Unless the entire stock of one is owned by stockholders of the other, which is very seldom the case, an officer or director of the national bank cannot also be in the trust company or in the stock savings bank in any city of over 100,000 population. Left to the judgment of the stockholders, the interests of both institutions are best served and their stock investments best protected by having some of the officials of one on the board or officially connected with the other. The owners of these non-competing institutions are the persons most vitally concerned in the safe and prudent management of their own property and if in their judgment safety and stability are best served by the continuance of such relations in these non-competing institutions, it would seem to follow that the interests of the public would also be best served thereby. The provisions of the bill which would sever such relations go beyond the underlying purpose of the anti-trust laws. (3) Again, a national bank cannot have a private banker on its board nor have him as an officer. Just what constitutes a private banker is not defined. The States quite generally regulate the business of private bankers and there are hundreds of men of ability and experience in the different large cities engaged in such business in a moderate and legitimate way who are interested as directors in some national bank, and whose knowledge and judgment is of great value but who never have had and do not possess the power to control the extending of credit by the national institution. Why excommunicate all of these men?

Obviously in the interest of justice the provisions of the bill applying to cities exceeding 100,000 population require extensive modification.

Provisions as to Banks Generally Irrespective of Locality

As to banks generally irrespective of locality

(a) No person can at the same time be an officer or director of two or more national banks where either have capital, deposits, etc., aggregating more than \$2,500,000.

(b) No private banker or director in a State bank having capital, deposits, etc., aggregating more than \$2,500,000 can be a director in a national bank.

The cases are very numerous where an officer or director of a national bank which has capital and deposits aggregating more than two and one-half million—for the inclusion of "deposits" in the aggregate makes the provision apply to banks of comparatively small capitalization—is also interested as director or officer in a small national bank in another city or even in another State. This interest is not confined to cases where the officer invests his own money in the stock but there are numerous cases where, holding some fiduciary relation to an estate owning the stock, he serves as a director to protect such interest. Whatever the nature of his holding, the protection of the stock interest often makes it advisable that he participate in the management of the bank as director or officer. It is equally to the interest of the bank itself and of the community which it serves that it have the benefit of the judgment of such a man experienced in banking, in the conduct of its affairs and to compel his relinquishment would be of great detriment. There is absolutely no shadow of competition between such small national bank, located in another place, with the national bank which is above the two and one-half million aggregate. To disserve such relations is entirely outside of any purpose to be served by any anti-trust law and yet such would be the result under Section 9 as now framed.

Again, we have a further provision which prohibits, irrespective of locality, the director of a State bank having capital and deposits aggregating more than two and one-half million from being a director in a national bank. Officers who are not directors are not covered by this provision; it is confined to direc-

tors. In this case the two and one-half million aggregate is fixed in reference to the State bank. Equally here, the director of a State bank of over two and one-half million capital and deposits who is interested as a director in a small national bank, although the latter may be in a remote locality and absolutely non-competing, will be compelled, if Section 9 is unchanged, to relinquish his directorship in such national bank, to the three-fold detriment of himself, the bank and the community which it serves.

As the provision now reads, there would seem nothing to prevent an officer or director of a national bank with capital and deposits exceeding two and one-half million from being an officer or director in a State bank under that limit located elsewhere (or even in the same city if not over 100,000 population), but the bill, as already shown, would absolutely bar out the officer or the director of a national bank of over two and one-half million from the board, or as an officer of another small non-competing national bank that may be located in another town or even in another State, and would also compel the director of a State bank of over two and one-half million to give up his directorship on the board of any small national bank, not in any sense a competitor, without any good public policy being served but to the detriment of all concerned. Such a result would work injustice in a large number of cases.

Finally the private banker, irrespective of locality, is made ineligible as a director of a national bank. In the provision relating to banks in cities exceeding 100,000 population which we have already considered, a private banker can neither be an officer, director nor employee of any national bank, but outside of such cities it would seem that he can be an officer or employee but not a director. The injustice to the numerous class of men engaged in the private banking business by this restrictive provision has already been referred to.

It is further to be noted that Section 9, as now drawn, contains a discrimination against banks as compared with corporations engaged in commerce, other than common carriers. The Section prohibits a person from being a director in two or more corporations engaged in commerce where either has capital, surplus and undivided profits aggregating more than one million dollars. The proposed law would not apply to any such corporation with capital, surplus and undivided profits of less than one million dollars, but it would very often apply to a bank, the capital, surplus and undivided profits of which was under one million, because the addition of "deposits" would make the aggregate above the two and one-half million limit.

Again, the prohibition of interlocking directorates in corporations engaged in commerce is confined to such corporations only which are "by virtue of their business and location of operation, competitors, so that an elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the anti-trust laws." There is no similar provision applicable to banks, limiting the prohibition of interlocking directorates to such banks as are by virtue of their business and location of operation, competitors and, as already shown, the present provisions of Section 9 will, if unchanged, apply to officers and directors in non-competing institutions located at a distance from each other and work great injury and injustice.

Suggestion for Elimination or Modification of Interlocking Directorate Provisions

In view of the foregoing, it would seem that Section 9 so far as it relates to banks, should either be entirely eliminated or at all events materially modified. Wherever banks are non-competing, either by doing the same kind of business in different localities or conducting different classes of business in the same locality, no good public policy is to be served by the enactment of these provisions, but to the contrary only injury will result. The basic principle that no man shall serve two masters, which is urged in support of this legislation, has this important qualification that the interests of the two masters must be adverse and conflicting; otherwise no lawyer, for ex-

ample, could have more than one client. A lawyer can consistently represent even two competing banks in all controversies between such banks and others where the interests of the two do not conflict; it would only be in controversies where such banks were parties on opposite sides that the disqualification would operate. So far, therefore, as the provisions of the bill would apply to officers or directors in non-competing banks they have no place in the scheme of anti-trust legislation and even in case of two competing banks, it is not conceded that the fact that they may have one or two officers or directors common to each would result in any undue control or concentration of credit, detrimental to the interests of the borrowing public. There are many situations where the advice and judgment of such officers is helpful and valuable to both and the mere fact that a man is a common officer or director of two competing banks is not of itself sufficient to give him power to effect any undue control over both institutions. The two banks would have to have a common majority of directors in each to have such power, and even admitting this situation, it does not follow that it would be exercised.

The general tenor of this proposed legislation, furthermore, is in regulation of the eligibility or qualifications of officers or directors of national banks and if any further provisions are necessary it would seem that their most appropriate form would be by way of amendment of the National Bank Act. The new Federal Reserve System, participated in by all the national banks, has been inaugurated and will soon be in operation. If in the progress of this system it should hereafter develop that certain officers or directors of national banks were abusing their position in any way in the undue control and concentration of credit, this fact would at once become apparent through the supervisory and investigating powers of the Federal Reserve Board and the Comptroller of the Currency. Then, if a situation developed which called for remedy, the facts could be presented to Congress and such a law passed as would fit the case. It would seem that all the interests of the public could thus be effectively protected and that regulation at such future time and in such manner would be far preferable than by the enactment in advance of provisions such as contained in Section 9 which apply to situations where no evil exists.

The Committee on Federal Legislation of the American Bankers Association believe that all the provisions relating to banks contained in Section 9 should be entirely eliminated; but in event there is to be legislation on the subject, suggest the following provisions as far more reasonable:

1. Whenever an officer, or director of a bank or trust company, member of a Federal Reserve bank, shall also be an officer or director of one or more banks or trust companies located in the same city, whether or not members of a Federal Reserve bank and which institutions are doing a substantially competing business, and it shall appear to the Federal Reserve Board upon satisfactory proof after due notice of hearing that such officer or director is abusing his position in the way of destroying competition between such institutions or exercising an undue control over such institutions in the granting or refusing of credit, the Federal Reserve Board shall have power to compel the discontinuance of such practices or to require the resignation of such officer or director from one or all of the banks or trust companies which are members of the Federal Reserve bank.

2. Nothing in this act shall be construed to make ineligible the trustee of a mutual savings bank not having capital stock from being an officer or director of a bank or trust company which is a member of a Federal Reserve bank.

Appended are

- (1) Extracts from letters of bankers affected, showing actual cases, which are typical of hundreds of others. These are sufficient to illustrate the injury and injustice which would be

wrought without any corresponding public benefit, if Section 9 should be enacted in its present form.

(2) Letter from Philadelphia Clearing House Association to House Committee on Judiciary May 22, 1914, showing harmful effects of legislation proposed.

(3) Resolution of Detroit Clearing House Association June 9, 1914, urging modification of Section 9.

(4) Text of Section 9 H. R. 15657 as it passed the House.

Respectfully submitted,

FOR THE COMMITTEE ON FEDERAL LEGISLATION

Thomas B. Paton, General Counsel,
American Bankers Association,
5 Nassau Street, New York.

Committee on Federal Legislation:

P. W. Goebel, President Commercial National Bank, Kansas City, Kan., Chairman.

J. Elwood Cox, President Commercial National Bank, High Point, N. C.

E. M. Wing, Vice-President Batavian National Bank, La Crosse, Wis.

W. H. Bucholz, Vice-President Omaha National Bank, Omaha, Neb.

John McHugh, President First National Bank, Sioux City, Iowa.

C. A. Hinsch, President Fifth-Third National Bank, Cincinnati, Ohio.

June, 1914.

I. EXTRACTS FROM LETTERS OF BANKERS

(Names of banks and individuals characterized by letters to avoid unnecessary prominence.)

San Francisco, Cal.

From the director of a National bank in San Francisco: "Referring to House Bill 15657, am a director or officer in a National bank and trust company in San Francisco, a National bank and savings bank at B—, a National bank and savings bank at R—, a National bank at T—, a National bank at M—, a State bank at W—, none of which institutions can in any possible way interfere with competition or the granting or refusal of credit, as there are no two of these institutions in the same community performing the same functions. The proposed bill would result in injury to the banking public, as it would deprive many of the institutions of the experienced advice and counsel they need to serve most efficiently. I, therefore, earnestly urge either the entire elimination of the provisions relating to banks or their modification along lines suggested by the American Bankers Association. This is sent without desire to criticize the general purpose of the bill, but, if possible, to assist in accomplishing the purpose without crippling the efficiency of institutions most important to the promotion and maintenance of the welfare of their communities."

Los Angeles, Cal.

From the president of a National bank in Los Angeles: "The bill provides that after two years from passage, no director of a railroad may act as a director in any corporation engaged in commerce. This if passed would deprive us of the services of Mr. J. as vice-president and director of this bank, with which he has been affiliated for nearly twenty years. We regard his services and advice to the bank as invaluable, and if he should be obliged to retire from the directorship, it would be impossible for us to replace him. This bank has never in any way, shape or form had any connection with the railroad company in which he is interested, beyond the carrying of a local account. The bill also provides that no director in a bank may serve as a di-

rector in any other bank, except where the entire capital stock of one is owned by the stock of the other. This would not affect the relations existing between this bank and the X. Trust & Savings Bank, but it would probably deprive us of one or two directors who are also directors in outside banks, with which, however, we have no understanding or agreement that would affect the business of our customers in any way whatever."

Denver, Col.

From the President of a National bank in Denver: "I cannot see the reason for this, or the justice in it. The holding of a directorship in a bank in Denver and a bank in L— or H— cannot in any sense be considered in a combination or in restraint of trade or in any sort of trust. That is my position exactly. I am a director and President of the X. National Bank of L— and the X. National Bank of H—, as well as the Y. National Bank of Denver. On account of the size of the latter institution I will be prohibited from even being on the board of directors of the two other banks. I own a large interest in each of those banks and feel my close connection is necessary to the protection of that interest. Instead of being a detriment to the public it has been of great assistance to those communities, as the local stockholders can testify."

Hartford, Conn.

From the President of a National bank in Hartford: "If the provisions relating to Interlocking Directorates of banks contained in the revised Clayton Anti-Trust Bill should be enacted and become operative, in my opinion, it would in many instances shut out men who are large stockholders in banks from the management of their own property as many are now directors of a National bank and may also be a director of another bank or trust company and interested as a shareholder in each. The majority of the stock of the X. National Bank of L—, N. Y., is now and has been for many years owned by residents of Hartford. Mr. R., formerly President of the Y. National Bank of Hartford, was the largest shareholder in the bank. His estate is now held by two others and myself as trustee for the benefit of his widow and children. After the death of Mr. R., I became President of the Y. National Bank of Hartford and also a director of the X. National Bank of L—, N. Y., to represent the interest of Mr. R.'s estate, that of his friends and my own interest in the bank. My co-trustee is a large stockholder in the L— bank himself and would be no more eligible as a director of the L— bank than I would be as he is a director of a bank and also of a trust company. Neither is there any other shareholder in Hartford not now connected with some other bank who is in a position to act as director. It looks to me as if people owning more than a majority of the shares could have no share in the management of their property should the proposed bill become a law. It would also work a hardship to the Y. National Bank of Hartford, as some of our directors who have rendered valuable service for some years would no longer eligible for re-election."

New Haven, Conn.

From the President of a National bank in New Haven: "The purpose of my letter is not so much in criticism of this (anti-trust) program as a whole but particularly of the Bill preventing Interlocking Directorates in so far as it affects us and in general almost every bank. Its effect upon us is not particularly far-reaching, as I believe after a careful reading of the Bill that it would only eliminate one Director, but it would be particularly hard, unfair and unreasonable in his case, as he is one of our oldest directors, and his only crime is the successful conduct of an investment business, and from whom this bank has not purchased any bonds or securities of any kind with the exception of once in a great while employing his firm to purchase bonds listed on the New York Stock Exchange and for which they only charged the commission that was

charged them. He is a man also whose influence, advice and supervision has always been of great value and entirely in the interests of the bank and whose advice and counsel has been sound and eagerly sought. I cite this example to show the far-reaching effect of this bill and its unreasonable, unfair and harmful effect upon many banks. From our experience it is hard enough to get directors on your board who are of the type that you want, and if you now attempt to curtail by ineligibility the number available it will be practically impossible to fill your Board and you will create a condition that the Government is now condemning, viz., the necessity of electing men to your Boards who would be practically nothing more than dummies."

Peoria, Ill.

From the Vice-President of a National bank in Peoria: "The prospective Interlocking Directorate legislation would prohibit Judge A., Mr. B., Mr. C., Mr. D., Mr. E., Mr. F. and the writer from serving on the Board of Directors of the X. Savings Bank of Peoria, because we are Directors on the Y. National Board, which is composed of the seven names mentioned herein and three others who are on the National Board, but are not on the Savings Board. Of course, you understand that the friendly relations between the X. Savings Bank and the Y. National Bank of Peoria have existed for over forty years without any other tie but that of mutual interest in different lines of banking. When we were on Z. Street and they were in the basement under us, they attended to the savings bank end of the business and we ran the commercial end of it. In the course of time the advantages of our being more closely related were readily seen and we have parties interested in both banks and serving as directors of both banks to their mutual advantage. There is little competition for commercial business between a savings bank organized under the State laws of Illinois and a National bank organized under the National Banking Law, and the prohibition that a director in a National bank cannot be a director in a savings bank and trust company would work an unnecessary hardship to the bank and no benefit whatever arise to the public. If a man comes into our bank and wants to borrow money on real estate for the improvement of the City of Peoria, we cannot make that loan as the National Banking Law prohibits any but certain kinds of farm loans. The State bank, however, can make that loan. We are, therefore, in a position to accommodate our customer by taking him to the savings bank and securing him his loan."

Sioux City, Iowa.

From the President of a National bank in Sioux City: "I believe the bill to be reported by the Committee, if it becomes a law, will have a very unsettling effect with a great many of the comparatively small banks of the country. In our own case, for instance, Myself and a number of my associates are officers or directors of the X. Savings Bank of this city, as well as officers of this, the Y. National Bank. The two banks are not in direct competition and no harmful conditions grow out of the common directorships. On the contrary, the savings bank serves the community here in many respects in ways that this bank could not serve it. The savings bank can and does handle city real estate loans, as well as some farm loans, and this the Y. National Bank could not do, even under the new law. The bank is a successful, prosperous institution and is not operated in any way in restraint of trade, nor does it restrict competition. It would seem to us only proper that the bill to be reported by the Committee should at least be greatly modified."

Baltimore, Md.

From the President of a National bank in Baltimore: "It seems to me that the bill in its present shape will work a great hardship and a great deal of confusion in the correction of what is, in most cases, only an imaginary abuse. May I point out briefly how it would affect me personally? I am at

present a director in the X. Railroad, with a very large financial interest in it, and I am also a director in the Y. Railway, and hold a reasonable interest in that. I have quite a large amount of money invested in the Z. Company and am a director in that company, which sells to both of the above-named railroads. Both the roads in question make their purchases entirely through the particular officers in charge of the department and I, personally, rarely have any knowledge whatever of a sale from the Z. Company to one or the other railroads until the same has become an accomplished fact. My presence on the board is not of the slightest assistance in securing contracts, nor are they made on any different terms with the railroads, in which I am director than they are with all other railroads. Why should I be obliged to surrender the directorship in the Z. Company and the oversight of my own large interest in that company under the above circumstances?

"Then take the question of this bank. Among our fourteen directors the following cases would come under the law: I, personally, am a director in the X. Trust Company of Baltimore, with which this bank has no affiliation other than the fact that they keep an interest-bearing deposit account with us, the same as they do with numerous other banks and trust companies of this city and New York. Mr. A., vice-president of our National bank, is vice-president of the Y. Trust Company and of the Z. State Bank. There are no transactions between either of those banks and this one, except for a small deposit kept with us by the Y. Trust Co.; with the Z. State Bank we have no affiliations. Three other of our directors are all directors of the — Trust Company, with which we have absolutely no affiliation whatever. Now, is anything gained by enforcing the provisions of the proposed bill in the above cases, and, mind you, I am only dealing with the situation as it involves me personally in connection with the few cases I have mentioned. A similar situation would doubtless exist in most of the banks in Baltimore."

Salem, Mass.

From the President of a National bank in Salem: "Section 9 of the bill, as amended, seems to provide that, 'No person who is a director in any bank or trust company organized and operating under the laws of the State, having deposits, capital, surplus, and undivided profits, aggregating more than \$2,500,000, shall be eligible to be a director in any bank or banking association, organized or operating under the laws of the United States.' This, if passed, would seem to bar Mr. A., who is one of our board, and also a director in the X. Trust Co., Boston, from acting in both institutions. There is absolutely no connection between the X. Trust Co. and ourselves. We do not even make collections for that concern, and there is no reason whatever why Mr. A. should not be a director in both places. I think that the language of the statute should be modified, so that the little country bank may not possibly be deprived of the services of a bright business man, who is appreciated somewhere else. I am willing to subscribe to the sentiment behind the bill, if its language is such as to prohibit only disadvantageous interlocking."

New York City (Bronx Borough), N. Y.

From the Vice-President of an uptown State bank: "The proposed legislation as outlined in this bill affects our institution as follows: One of our directors, Mr. A., who has held such office for a number of years, is also a director and cashier of the X. National Bank of this city. If this bill becomes a law we would, naturally, under its restrictions, lose the services of Mr. A. as one of our directors. He being a practical banking man, his services in our board are not to be minimized. In no way would the spirit of the proposed legislation be affected by the dual capacity of Mr. A. as a director in these two institutions, there being no connection of any sort between the X. National Bank and our own institution."

New York City (Brooklyn), N. Y.

From the Cashier of a National bank in Brooklyn: "This section affects our institution seriously,

inasmuch as we have as one of our directors a Vice-President and Director of the New York bank clearing our exchanges. His advice and recommendations are most beneficial to us and his connection with our bank does not result in any restriction of competition between the two banks or in any undue control in the granting or refusing of credit, nor result in any harmful effect, contrary to the general purpose of the anti-trust laws."

From the President of a National Bank: "The provisions of Section 9, if passed in its present form, will work hardship on the National banks of Brooklyn, which are engaged in a business which is distinctly local in character, they not being interested in underwriting syndicates or combination financing. It would seem to me that the section of the bill relating to interlocking directorates should be so amended as not to apply to banking institutions having capital, surplus and undivided profits of less than \$5,000,000. If the bill as printed becomes a law, this bank will probably lose the services of three valuable men, two of whom are directors of local trust companies, whose competition would in no way be greater or less by reason of the retirement of these men from our board."

Buffalo, N. Y.

From a Director in a National bank in Buffalo: "I am a director of the X. National Bank and in the Y. Trust Company. The same men own the controlling interest in both institutions and our investment is large. We can only loan \$200,000 in the X. National. If a man wants \$300,000 we can take care of him by giving him \$200,000 in the one bank and \$100,000 in the Trust Company, so that the arrangement works advantageously in every regard. I am also a director in the Z. Trust Company in New York City, which has no relations with either of the other concerns. I learn a good many things there which are of value in Buffalo. I would like to have you tell me what harm results from my holding all three places. If the statute is enacted, then Mr. A., Mr. B., Mr. C., Mr. D. and I will all have to resign either as directors of the Trust Company or directors of the bank, although we represent personally and in our families more than one-half the stock of both institutions. Can it not be limited to apply only to cities having a population of a million or over? There has never been, so far as I know, any feeling in this town that the banks were not every one of them a competitor of every other and Buffalo is not like New York, Chicago or Boston. We have only a few men, so far as we know, who are qualified here to discharge the duties of a bank director properly. It is the hardest thing in the world to get a man who will give his attention and interest himself and fully discharge his duties. A large part of the stock of each bank here is held by women and estates and I assume that it is so in New York and elsewhere. If you are going to compel banks to be run by men who have not a large pecuniary interest involved and are going to convict every director who is charged with any offense whatever and as our juries now do, you are going to put the banks in a position which sooner or later will re-act most seriously against the business interests of the nation."

Buffalo, N. Y.

From the President of a National bank in Buffalo: "There should be enough investigation of the subject to not work a hardship on banks who have had no underwriting connection with corporations or who do not deserve to be legislated against because of past so-called money trust connections. In other words, it seems to me perfectly ridiculous that banks of Buffalo should be subjected to any such legislation which aims to attack something which, so far as I know, has never existed in Buffalo. It would both place a premium on dummy directorships and at the same time, in its operation, weaken the credit standing and strength of a bank very much in the eyes of a community by apparently retiring some of its strongest men."

Green Bay, Wis.

From the Vice-President of a National bank in Green Bay: "The bill provides that a man being a director in a bank having \$2,500,000 of deposits, capital stock, surplus and undivided profits, cannot be an officer or director in any other bank. I think the bill is wrong in that particular any way. In my own case, I am Vice-President of this bank, Vice-President of the X. State Bank of K—, and director in the Y. National of Chicago. There is not the slightest opportunity for me to do anything in the way of granting or refusing undue lines of credit because of these connections. The Y. National Bank of Chicago is large enough so that I must either resign as director there or else with the banks here at K— and Green Bay. I am sure you will see that in my case no harm can come of my connection with the three banks in the way I am connected with them."

Neenah, Wis.

From the Vice-President of a National bank: "Referring to House Bill 15657, Mr. A. is a director in this bank and his residence is in Neenah, this is his home town. He also has interests in A—, Wis., and he is a director and Vice-President of X. National Bank of A—. If the law permitted him to be a director in only one bank, he would retire from our board, as A— is a larger field and has a larger bank than we have. As he is the best all-around man in Neenah and a wise and safe counselor, we are desirous of retaining him on our board. If we lost him, it would require us to replace him with some one not nearly as valuable to the bank. Neither at present nor at any time in the past has the fact that Mr. A. is a director in this bank and also the bank in A—, made any difference in the conducting of the business of either bank, as the X. National Bank of A— makes its own rates of interest without any conference with us, and we make our own rates of interest without any conference with them or anyone else. This bank has no more connection with the X. National Bank of A— than it has with the First National Bank of Chicago. It is our belief that the government should be interested in building up business instead of weakening it. If the powers that be are determined to put through such a bill, it should be amended so as to raise the size of the banks from \$2,500,000 to say \$10,000,000. They would then strike interests they are after and would not damage small institutions like ours which, as you well know, are most numerous in number throughout the country and they are doing and always have done a legitimate business. Put yourself in our place."

II. LETTER FROM PHILADELPHIA CLEARING HOUSE ASSOCIATION.**PHILADELPHIA CLEARING HOUSE ASSOCIATION.**

Philadelphia, May 22, 1914.

To the Committee on Judiciary,
House of Representatives of the United States,
Washington, D. C.

Gentlemen: Representing the associated National Banks of the City of Philadelphia, all of which have joined the new Federal Reserve System and subscribed their proportion to the Federal Reserve Regional Bank, we respectfully ask careful consideration by you of those provisions of the Bill now before you (H. R. 15657) relating to interlocking directorates between National Banks, State Banks, Trust Companies and certain other Corporations, and the elimination thereby of certain existent corporate features in banking of the most vital import to this community and to the banks thereof, as well as to those of all cities and larger towns.

The motive prompting the introduction of the Interlocking Directorate feature into this new Statute, as we understand it, seems to be the hoped-for correction of certain abuses which it is alleged have crept into banking and more particularly into the

extension of credit, and which it is further urged have curtailed competition.

In seeking to correct what has been claimed as an evil existing in one part of the country, a vital injury in the sum total may be done to the great mass of our banking institutions and to the community at large by the enactment of this law, and, beyond that, we believe irreparable harm will result to the Regional Bank System as a whole. This system should not be weighted down with unwise laws, but should be left to work out its problem untrammeled. By its merits it should attract the widest and strongest support—should draw to it through the advantages it offers every factor which makes for the larger success.

Here in Philadelphia through a long term of years we cannot recall an instance in which interlocking directorates have prevented fair and reasonable competition or curtailed in any way the credit of any individual entitled to credit.

The Act, as proposed, will affect many of our strongest Boards of Directors here in Philadelphia; in many instances it will practically destroy them. Many of these men are allied with vigorous Trust Companies and other important interests; these connections are not in competition in the proper sense of the word, but on the contrary are most helpful in promoting the general welfare of the banking community. A compulsory choice in these instances between a Trust Company and a Bank will result in favor of the Trust Company, and thus weaken the management of many of the member banks of the Regional System.

Can Congress afford to force this new legislation upon the country and lower the vigor and tone of the Regional System at the start? This system has yet to be "tried out," and its success is not by any means beyond peradventure.

The National banks have with surprising unanimity entered this system, but neither you nor we should permit that fact to deceive us. Already there exists a feeling that later we may be disillusioned. Is it wise for Congress to add now any element which may increase the doubt and unrest which are in the thoughts of hundreds of bank managements not now able to measure the results of the Federal Reserve Act, and which managements have assented with the purpose of trying out the plan in all fairness to it and to themselves?

Bankers in considerable numbers in various smaller towns are quietly expressing themselves in this way. They can make no forecast at this time of the advantages or disadvantages which will or will not accrue to their locality. They have elected to enter the system, knowing they can later go over to the State System if they prefer.

The State Systems are growing with rapid strides in many sections of the country, outstripping the National banks in number and prestige, while it is worthy of note that our State banks and trust companies are not overstrenuous in their efforts to adopt the Regional plan. Does it not, therefore, behove Congress and all real friends of the Regional System to move in a manner calculated to attract to that system strong banks and the strong, trained men of the country, rather than to repel, and by legislating drive these men out of the managements in which they are needed? Does it not seem the part of business acumen that in the first days of this new Federal System a confidence should be generated that would weld together a great mass of strong banks and strong men rather than that timidity and alarm should disintegrate it in whole or in part?

The ranks of well-equipped Bank Directors will never be overcrowded; these men are born of experience—they are not overnight products.

We respectfully submit that it is unwise to harass the country with too many new experiments, phases and standards at one time. Let this new banking system, which has so much of merit in it, not be weakened by trying out too many theoretical problems; if this occur, in the end the unexpected may happen, and we may see the whole system thrown into financial discord.

This Act prohibiting Interlocking Bank Director-

rates, if enacted into law, will do more to tear down and lower the tone of bank management in this country than anything which has occurred in all the years gone by.

One of the hard problems confronting the bankers of to-day is to select new directors for their banks—men who have the training, the influence and the analytical equipment to insure the safe extension of credit and proper care of depositors' money.

The causes for the collapse of a multitude of banks in this country reveal that the great majority have been wrecked through bad loans—loans permitted or recommended by directors thoroughly honest, but lacking the trained ability to judge credits. It takes years of experience to make a safe credit man.

We earnestly urge that Congress most carefully balance this whole problem and that in trying to remedy one evil (possibly overestimated) a condition shall not be created which shall be far more harmful.

We beg to suggest it is but fair to the clean, straight bankers of this country—who probably represent nearly 100 per cent. of the profession—and who have all through these years transacted a strictly uplifting, legitimate, honorable business, that they be not forced to replace tried, efficient directors of influence with men of inexperience, during a period in which the acid tests are being applied to the new banking system.

Respectfully submitted,

The Philadelphia Clearing House Association.

(Signed) Joseph Moore, Jr., President,
John C. Boyd, Secretary,
L. L. Rue,
J. R. McAllister,
E. F. Shanbacker,
Charles S. Calwell,
S. S. Sharp,
Effingham B. Morris,
W. T. Elliott,
Joseph Wayne, Jr.,

Committee.

III. RESOLUTION OF DETROIT CLEARING HOUSE ASSOCIATION.

To the Committee on Judiciary of the House of Representatives of the United States,

Washington, D. C.

At a meeting of the Detroit Clearing House Association, held this 9th day of June, 1914, the following resolution was passed without dissent, namely:

Whereas, the provisions of Section 9 of the Clayton Anti-Trust Bill "to supplement existing laws against unlawful restraints and monopolies," and further relating to Interlocking Directorates of Banks, is so worded as to practically prohibit any individual serving on the Board of a metropolitan bank doing business under the provisions of the Act, from acting in the same capacity on the board of any other State Bank or Trust Company

And, Whereas, the unmistakable implications of the Act make it plain that its framers would have the people at large believe that the business men of this country have been, are now, and would hereafter be unfaithful to the trust thus placed in their hands

Therefore be it resolved, That the members of the Detroit Clearing House Association do by this resolution, desire to express to the Committee, their disapproval of the form in which the said Section is now drawn and to emphatically assert that men clothed with such responsibility do not so violate their oath of office as to warrant the stigma thus placed upon them:

And to further state their belief that the very few instances which have come to the knowledge of your Committee, where interlocking Directors have so used their powers as to deserve your criticism, have not been of sufficient number to warrant the passage of an act depriving the Banking interests of the Coun-

try of the services of such strong, honorable, experienced and capable men, who have in the past and would in the future conduct the banking interests of the country on honest, efficient and conservative lines, extending reasonable credit to deserving men, and putting needed restraint on unwise or dangerous enterprise.

And therefore be it further resolved, That this Association respectfully pray your honorable Committee to so amend the wording of the said Act as to permit the reasonable service in such dual capacity of men who are willing to assume such responsibility under suitable provisions to be embodied in the Act for determining and punishing any dereliction or violation thereunder.

Hamilton Dey,
Secretary.

IV. SECTION 9, H. R. 15657, AS IT PASSED THE HOUSE, JUNE 5, 1914.

Sec. 9. That from and after two years from the date of the approval of this Act, no person who is engaged as an individual, or who is a member of a partnership, or is a director or other officer of a corporation that is engaged in the business, in whole or in part, of producing or selling equipment, materials, or supplies to, or in the construction or maintenance of, railroads or other common carriers engaged in commerce, shall act as a director or other officer or employee of any other corporation or common carrier engaged in commerce to which he, or such partnership or corporation, sells or leases, directly or indirectly, equipment, materials, or supplies, or for which he or such partnership or corporation, directly or indirectly, engages in the work of construction or maintenance; and, after the expiration of said period no person who is engaged as an individual or who is a member of a partnership or is a director or other officer of a corporation which is engaged in the conduct of a bank or trust company shall act as a director or other officer or employee of any such common carrier for which he or such partnership or bank or trust company acts, either separately or in connection with others, as agent for or underwriter of the sale or disposal by such common carrier of issues or parts of issues of its securities or from which he or such partnership or bank or trust company purchases, either separately or in connection with others, issues or parts of issues of securities of such common carrier.

That from and after two years from the date of the approval of this Act no person shall at the same time be a director or other officer or employee of more than one bank, banking association, or trust company organized or operating under the laws of the United States, either of which has deposits, capital, surplus, and undivided profits aggregating more than \$2,500,000; and no private banker or person who is a director in any bank or trust company, organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits aggregating more than \$2,500,000, shall be eligible to be a director in any bank or banking association organized or operating under the laws of the United States. The eligibility of a director, officer, or employee under the foregoing provisions shall be determined by the average amount of deposits, capital, surplus, and undivided profits as shown in the official statements of such bank, banking association, or trust company filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director, officer, or employee has been elected or selected in accordance with the provisions of this Act it shall be lawful for him to continue as such for one year thereafter under said election or employment.

No bank, banking association, or trust company organized or operating under the laws of the United States in any city or incorporated town or village of more than one hundred thousand inhabitants as shown by the last preceding decennial census of the United States, shall have as a director or other officer or employee any private banker or any director or other officer or employee of any other bank, banking

association, or trust company, located in the same place: Provided, That nothing in this section shall apply to mutual savings banks not having a capital stock represented by shares; Provided further, That a director or other officer or employee of such bank, banking association, or trust company may be a director or other officer or employee of not more than one other bank or trust company organized under the laws of the United States or any State where the entire capital stock of one is owned by stockholders in the other. And provided further, That nothing contained in this section shall forbid a director of class A of a Federal Reserve Bank, as defined in the Federal Reserve Act, from being an officer or director or both an officer and director in one member bank.

That from and after two years from the date of the approval of this Act no person at the same time shall be a director in any two or more corporations, either of which has capital, surplus and undivided profits aggregating more than \$1,000,000 engaged in whole or in part in commerce, other than common carriers, subject to the Act to regulate commerce, approved February fourth, eighteen hundred and eighty-seven, if such corporations are, or shall have been theretofore, by virtue of their business and location of operation, competitors, so that an elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the anti-trust laws. The eligibility of a director under the foregoing provision shall be determined by the aggregate amount of the capital, surplus, and undivided profits, exclusive of dividends declared but not paid to stockholders, at the end of the fiscal year of said corporation next preceding the election of directors, and when a director has been elected in accordance with the provisions of this Act it shall be lawful for him to continue as such for one year thereafter.

When any person elected or chosen as a director or officer or selected as an employee of any bank or other corporation subject to the provisions of this Act, is eligible at the time of his election or selection to act for such bank or other corporation in such capacity his eligibility to act in such capacity shall not be affected and he shall not become or be deemed amenable to any of the provisions hereof by reason of any change in the affairs of such bank or other corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date of his election or employment.

That any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor, and shall be punished by a fine of not exceeding \$100 a day for each day of the continuance of such violation or by imprisonment for such period as

the court may designate, not exceeding one year, or by both, in the discretion of the court.

BILLS OF LADING.

We are pleased to inform our members that, on Saturday, June 6th, the Senate unanimously passed the Uniform Bills of Lading Act, S. 387. By the provisions of this bill the carrier who issues a bill of lading through an authorized agent is made liable to a bona fide holder of the bill although the railroad may never have received the goods as certified to by the agent, and the bill contains numerous other provisions, the effect of which will raise the legal standard and value of the bill of lading as a security upon which bankers and consignees make advances. S. 387 is, in brief, the Uniform Bills of Lading Act which has been passed by a number of States, except that it has such changes as adapt it for Federal enactment. The American Bankers Association has been urging this legislation for years and doing all in its power to further it. We are working in conjunction with the various shippers' organizations. The bill now goes to the House Committee on Interstate and Foreign Commerce. It will be desirable that all bankers who are interested in the successful outcome of this measure communicate with members of the House Committee and represent to them the value and importance of this legislation and the desirability that it be passed at this session of Congress in the interest of the commercial public. Following is the membership of the

House Committee on Interstate and Foreign Commerce:

William C. Adamson, of Georgia.
Thetus W. Sims, of Tennessee.
J. Harry Covington, of Maryland.
William A. Cullop, of Indiana.
Frank E. Doremus, of Michigan.
J. Henry Goeke, of Ohio.
George F. O'Shaunessy, of Rhode Island.
Charles A. Talcott, of New York.
Dan V. Stephens, of Nebraska.
Raymond B. Stevens, of New Hampshire.
Alben W. Barkley, of Kentucky.
Sam Rayburn, of Texas.
Andrew J. Montague, of Virginia.
Perl D. Decker, of Missouri.
Frederick C. Stevens, of Minnesota.
John J. Esch, of Wisconsin.
Joseph R. Knowland, of California.
Edward L. Hamilton, of Michigan.
Eben W. Martin, of South Dakota.
Frank B. Willis, of Ohio.
A. W. Lafferty, of Oregon.

OPINIONS OF GENERAL COUNSEL.

Summary of Questions Received and Opinions Rendered to Members of the Association.

CHECKS FOR MORE THAN BALANCE PRESENTED THROUGH CLEARING HOUSE.

Where a number of checks aggregating more than the depositor's balance are presented at the same time through the clearing house and the balance is sufficient to pay some of them, the bank must pay such of the checks as the deposit is sufficient to meet and may choose which to pay and which to reject, but it will be liable in damages if it returns all such checks unpaid.

From South Carolina.—A, a customer of the bank, has to his credit upon the books \$50. On the same day and at the same time there are presented four checks, all of the same date and payable to different parties, from a neighbor bank, through the Clearing House, as follows, viz.: one check for \$10, another check for \$25, a third check for \$50, and a fourth check for \$60. What is the duty of the bank in such case?

Should we refuse the payment of all checks, or should we pay such as will absorb the credit balance and return the others? It seems to us that if the checks bore different dates, that fact would afford some guide, but where they all bear the same date and are presented at the same time, we encounter the embarrassment. The law and authorities, as you understand them, will be appreciated.

Where a number of checks aggregating more than the depositor's balance, whether all are dated the same day or variously dated, are simultaneously presented through the clearing house, the bank should not reject all the checks—it would probably be liable to its depositor for so doing—but should pay such of the checks as the funds are sufficient to meet, in any order it chooses, until the balance is exhausted, and reject the remainder. This is in accordance with a recent decision of one of the Pennsylvania courts, which will be hereafter referred to.

In the JOURNAL for September, 1910 (page 143), referring to the case where two checks were presented at the same time, the smaller being within and the large one in excess of the customer's balance, I published it as my opinion that it was the duty of the bank to pay the smaller check rather than to dishonor both checks. This was on the authority of Sherburne v. Rickards, decided by the Superior Court of Chicago in 1898, where two such checks were presented through the Chicago Clearing House at the same time, one of which was smaller than the balance. The bank refused payment on the two checks and they were both marked "no funds." The court held that the bank, having enough money on hand to pay the smaller check, should have paid it, although it was the one later in date.

Later, in the JOURNAL for October, 1910 (page 202), discussing the question of the duty of the bank where two or more checks are simultaneously presented, each separately for less, but any two aggregating more than the customer's balance, I stated that the question had never been specifically decided, and after quoting the views of certain text writers, gave the following opinion:

"My own view is that the bank should not send all the checks back, but pay any one of them which is within the balance and return the rest, and that probably the best selection would be the one earliest in date, or if two bear the same date and earlier than the rest, then go according to priority of numbering. I believe, however, that the bank has a right to arbitrarily pay any one of the checks it chooses and that to pay any one of such checks which is within the balance would be a better course than to send them all back unpaid.

"Under the Negotiable Instruments Law a check is not an assignment and there is no responsibility to the holder for refusing to pay a check; but if the bank wrongfully refuses to honor a good check it incurs liability to its customer in damages for injuring his credit. When, under the circumstances presented, the bank pays any of the checks which is within the balance it has done all it can in the interest of its customer and preserved his credit on at least one of the checks; although if the bank should refuse to pay any of the checks and send all of them back under such circumstances, I hardly think the customer would have any case for damages because one of the checks was good and might have been paid."

The above opinion is borne out by the decision of the Superior Court in Reisch v. Consolidated National Bank, 45 Pa. Superior Court Rep. 236, rendered March 3, 1911, except that the court holds there is a case for damages if the bank sends all the checks back where it can pay some. I quote the entire opinion of the court, as it contains an instructive discussion and provides a practical rule of conduct upon a question which frequently confronts the bank fraternity:

"For some months prior to September 4, 1907, the plaintiffs, small merchants in the city of Philadelphia, had maintained an ordinary deposit account in the defendant bank. At the opening of business on the morning of that day it is conceded the correct amount of the balance to their credit was, as shown by the books of the bank, \$328.12. The defendant bank was a member of the clearing house, and while the situation remained as above stated, its messenger returned from the clearing house, bringing with him a bundle of seventeen checks drawn by plaintiffs, which he handed to the proper bank officer. This, under established usage, amounted in law and fact to a presentation of these checks for payment.

"The largest sum called for by any single check of the seventeen was \$75, the smallest \$5, but their aggregate sum was \$664.45, a little more than twice the amount of their balance. The bank thereupon declined to pay any of the checks and returned them to the clearing house. Shortly afterwards a messenger of the plaintiffs arrived at the bank with a deposit of \$480.50. The bank, having already rejected and returned the checks as stated, declined to receive this deposit and requested the plaintiffs to close their account. Accordingly, on the following day, September 5th, the plaintiffs drew their check to the order

of cash for \$328.12, the amount of their balance. The check was paid and the account closed.

"The plaintiffs then brought this action of trespass to recover damages. The pleadings are not printed in the paper-books, but we understand from the history of the case presented by appellant that it was not claimed that the bank was under any obligation to pay all of the checks presented. The complaint is that, having admittedly \$328.12 of the plaintiffs' money on deposit, the bank refused to pay any of their checks up to the amount of that balance.

"The theory of the defendant is fairly and fully set forth in its first point for charge, the refusal of which constitutes the first assignment of error. The point was, 'As the evidence shows that the aggregate amount of the checks drawn by the plaintiffs, presented to the defendant on September 4, 1907, was greater than the amount plaintiffs had then on deposit with defendant, there was no obligation on the part of defendant to pay any part of them, and it had no right to pay certain checks and refuse payment of others; the verdict must therefore be for defendant.' This was followed by a point for binding instructions which was refused, as well as a motion for judgment n. o. v., and the refusal of this motion is the remaining and only other assignment of error.

"In determining the propriety of the action of the bank in rejecting all of the checks of the plaintiffs we exclude from our consideration the later offer of deposit. Whatever it may prove as to the good faith of the plaintiffs when they issued checks aggregating more than their balance in bank, it can in no way aid in determining the legal obligation of the bank at a time when it could not know that its depositor was about to increase his balance by the addition of a fresh deposit.

"It may not be unworthy of remark that notwithstanding the vast volume of commercial business transacted every day in Pennsylvania by the use of bank checks, the question now before us seems to have never reached our courts for determination, and we are without the aid of any precedent. The defendant's theory, however, is supported by as respectable an author as Mr. Morse, who, in his work on banks and banking in sec. 354, speaking of a bank in the situation which confronted this defendant, says: 'The bank cannot look at their dates; for priority of presentment not of date secures priority of payment, so if the bank cannot pay all the checks of any individual depositor then coming through clearing, it must pay none of them. It has no legal power or right to select or choose from among them certain ones which it will honor or certain ones which it will dishonor. All or none must be paid. Any other course would render the bank liable to the holders of the dishonored paper.' Apparently the compelling reason upon which the author's conclusion rests is indicated in the last sentence quoted.

"In Pennsylvania, however, it has long been established that the holder of a check, who presents it to the drawee bank for payment, acquires no right of action against the bank by reason of its refusal to pay such check, even where the maker has on deposit ample funds for that purpose. And this for the simple but sufficient reason that the bank has no contractual relations whatever with such holder. Having never undertaken with him to pay any check he might present, there could be, as we view it, no breach of duty to him in its refusal to pay. In such a case the rights and remedies of the holder of the check rest on his contract with the maker and must be worked out through that contract. And conversely, the duty and obligation of the bank rests upon its contract with its depositor, and he is the only party who can suffer a legal injury by the bank's breach of such contract. We must conclude, therefore, that it is not a sound proposition in Pennsylvania to assert, in the language of the learned author we have quoted, that 'any other course would render the bank liable to the holders of the dishonored paper.' In other words, we cannot accept the doctrine proposed by Mr. Morse because the reason on which it rests is not in harmony with the established law of Pennsylvania which determines the relations of the holder of a check to the bank on which it is drawn. Our

question is, therefore, not embarrassed by the necessity of considering the attitude of the holders of the checks that would have been rejected had the defendant bank seen fit to select from those presented such as it could pay by the use of the balance to the credit of the plaintiffs then on deposit.

"There remains but one other aspect in which the question may be viewed, and this must be the controlling one. This is an action brought by the depositor. He bases his right to recover on the breach of a contract between him and the defendant bank. The existence of such a contract is not and cannot be denied by the defendant. Nor can it be doubted that the obligation of that contract, as has been frequently declared by our courts, requires the bank to pay over the moneys of its depositor upon his demand made in the form sanctioned by commercial usage. As already stated, it could not be successfully claimed for the plaintiffs that the defendant bank was obliged to pay all of the checks presented on the morning of September 4th. No line or letter of its contract required it to pay more than the amount of the balance provided by the plaintiffs for that purpose. If the Clearing House, as the representative of the various banks who were the lawful holders of the checks, had so consolidated its demand that it refused to accept payment of some of the checks unless all were paid, we would have a different question. Or if the evidence showed any rule of the Clearing House which compelled the defendant bank to pay all or reject all of a number of checks thus presented together, we are not prepared to say that the defendant could not have safely acted on such rule.

"For although it may be true enough, in a general sense, that the rules of the Clearing House are binding only on those who are members of it, yet it would be difficult for the plaintiffs to maintain that after they had launched their checks into the general channels of commerce they would not be affected by the reasonable usages and customs of those agencies which they must have expected would be used as their checks passed on their way to their final destination. But we have not this question before us, because the evidence is barren as to the existence of any rule or regulation on this subject by the Clearing House. Nor does it even show the existence of any custom among the banks of the city of Philadelphia in such cases.

"There was, therefore, nothing we can see in the law of Pennsylvania, or in any established and recognized usage or custom which might affect the plaintiffs or control the action of the defendant, which forbade the latter to comply with the obligation of its contract with its depositor. Had the defendant chosen to take up the checks in the order of their date and pay them as far as the plaintiffs' money would go, who could complain of such action? As we have already seen, the holders of the checks not paid would have no standing at all to demand anything from the bank, nor could they be legally injured by its action. And the depositor would in vain attempt to say that he had been injured because each check which the defendant would have paid would have been a lawful demand by the depositor for so much of his money, and the payment of such checks would satisfy the most rigid interpretation of the bank's obligation.

"But we are not willing to say that this was the only course that could or should have been followed by the defendant bank. There is considerable force supporting the practice that seems to prevail among banks in certain sections of the country when called upon to dispose of a question like that which confronted the defendant bank on September 4th. This practice is, in such cases, to select and pay the largest number of the checks presented that can be paid out of the balance on hand, and this on the reasonable theory that the credit of the depositor will be less hurt in the general commercial world by the rejection of a few checks, even if their amounts be larger, than by the dishonor of many. And again, it is difficult to see how the depositor could be heard to complain had his money thus been applied by the bank.

"It is no part of the plaintiffs' case, however, to establish the proposition that it was the duty of the

bank to pay their checks in the order of their date as long as the balance on hand was adequate. The defense fails if the bank was obliged to pay any of the checks, allowing to it, for the purposes of this case, to select for itself which checks it would pay. As the record stands we can reverse this judgment only on the ground that because there were seventeen separate and distinct checks aggregating more than the plaintiffs' balance, the defendant was relieved from the obligation of its contract with its depositor and was justified in paying none of them. We are unable to perceive any solid foundation on which this conclusion would rest. Any check of that bundle which the paying teller chose first to take up, no matter what its date, was a legal demand by the plaintiffs for the payment of that much of their money. The deposit was there to meet it. The fact that sixteen other checks were on his counter awaiting his action, created no legal obstacle to the payment of that one; no paralysis of the obligation of the bank's contract with its depositor; no menace of disaster to follow what would have been at once the exercise of a right and the discharge of a duty. It appears to us that no force of any kind was present operating in any way to relieve the bank from its duty to pay or offer to pay some of the checks presented up to the amount of the plaintiffs' deposit. It is true the bank officers were suddenly brought, without any fault of their own, to determine at their peril how to meet an infrequent and unexpected difficulty where their proper attitude had not been specially defined by statute, by the courts of the State, or established usage in their own commercial world. But the obligation of their contract with their depositor was simple, was ever present, and for aught we can see was then operative, and it was sufficient to be a guide to their feet and a lamp to their path. After allowing to the bank every reasonable discretion in the way of selecting which checks it would pay, this obligation demanded of it that it should select and pay some of them until the plaintiffs' deposit was exhausted. It could not and did not, as we view it, meet the obligation of that contract by rejecting all of the checks.

"No question is raised as to the measure of damages. The verdict is a moderate one, and we are of the opinion that the judgment entered on it cannot be fairly disturbed."

The defendant bank in the above case was mulcted \$100 damages for rejecting all the checks presented through the Clearing House when the balance was sufficient to have paid some of them. It is therefore unsafe for a bank, in such situation, to reject all checks simultaneously presented, because the balance is insufficient to pay all; it must pay such of the checks as the balance will satisfy and in so doing it can exercise its own choice as between those which separately come within, but aggregate more than, the balance, which to pay and which to reject. As indicated by the Pennsylvania court, if the bank chooses to pay the checks in order of their date, the depositor cannot complain; nor can he complain if the bank selects the largest number of checks irrespective of date which can be paid out of the balance on hand and rejects the remainder.

In the case presented by our correspondent the balance is \$50, and four checks, all bearing the same date, are presented through the Clearing House, with amounts respectively \$10, \$25, \$50 and \$60. The \$60 check, of course, must be rejected, but the bank should pay such of the others as it can and not reject all, and I think the bank could safely pay either the checks for \$10 and \$25 and reject the other two, or pay the check for \$50 and reject the other three.

DUTY OF COLLECTING BANK.

Does due diligence require request for certification, after check is refused payment because of improper indorsement, before returning for correction?

From Alabama.—We received recently, for collection and credit, from one of our Northern

correspondents, a check drawn on another Clearing House bank. Payment of this check was refused on the ground that it was not properly endorsed and we, in turn, charged it back to our correspondent, wired him of the non-payment, and forwarded the check. This transaction has raised a question in our mind as to our liability in the matter. We are aware that it would have been better to have had the check certified before having returned it, but would like to know if you think that our failure to have done so makes us liable for payment of the amount of the check in the event it is not collected on account of lack of funds when it is again presented. We would thank you for your opinion.

Of course the payor bank is not obliged to certify an improperly endorsed check, although it is frequent or usual to do so upon request of presenting bank, thus insuring its payment when the check is again presented properly endorsed. But it would seem, as you say, that the presenting bank would best serve the interests of its principal by requesting certification before returning the check, even though it has no express instructions so to do. Whether, however, its failure to do this would result in any liability in the event of lack of funds when the check is again presented is a specific question which, so far as I know, has never yet come before the courts for decision. The general rule, of course, is that the collecting bank must use reasonable diligence and care in the interest of its principal to obtain payment of the paper, and this in some cases has been held to extend to a greater degree of diligence than the owner must himself exercise in his own interest to preserve the liability of parties.

For example, if a collecting bank which has received a demand draft for collection learns that the drawer is in failing circumstances and that any postponement of presentation might jeopardize receiving payment from the drawee, although a presentation on the day following receipt would be sufficient to preserve the liability of the drawer and endorsers, yet it has been held that due diligence requires immediate presentation by the agent in the interest of the principal. *First Nat. Bank v. Fourth Nat. Bank, 77 N. Y. 320.* Again, it has been held in the case of a bill payable at a day certain that while it is not necessary for the holder to present such bill for acceptance in order to preserve the liability of the drawer—presentation for payment at maturity being sufficient to charge him—it is nevertheless for the interest of the owner to have it presented for acceptance so that he may have the assurance that the drawee will pay it and otherwise immediate recourse to the drawer. Hence it is the duty of a collecting bank to present such a bill for acceptance and it is chargeable with negligence if it fails so to do. *Exchange Nat. Bank v. Third Nat. Bank, 112 U. S. 276.*

In the light of these cases it is not unlikely the courts might hold that it would be the duty of a collecting bank presenting for payment an improperly endorsed check which is refused payment for that reason, to request certification of the check before returning it for correction of the endorsement, for it would seem that such would be the action of a discreet and prudent man in his own interest in an attempt to insure ultimate payment. True, the payor bank is not obliged to certify unless it so chooses and it has never been held that there can be any protest for non-certification; yet certification upon request is a very common practice, and in a case such as stated, if certification was not requested and before the check was again presented properly endorsed the funds had been drawn out, it would seem not at all unlikely, as has been already said, that the collecting bank might be held derelict in duty in not making request for certification at the time of the first presentation before sending the check back for correction. However, until the courts pass upon this precise question, it will, of course, remain somewhat doubtful.

FORGED DRAFT AGAINST STOLEN LETTER OF CREDIT.

Bank purchasing forged draft against lost letter of credit is the loser and cannot hold bank issuing letter of credit responsible.

From California.—On March 13th a bank in Texas issued their letter of credit No. 80 in favor of J. E. C., who went to California with some cattle. The letter of credit was stolen from him and he notified the issuing bank. On April 30th, a person presented this letter to our bank in California and we prepared and he signed a draft against the letter for the full amount, giving him cash therefor, and attaching the letter to the draft. On presentation of this draft to the Texas bank, the latter advised us of the forgery. Kindly state if, in your opinion, we will have to stand the loss on this transaction? We always had the impression that a letter of credit, such as this, was supposed to be cashed without the identification of the payee, further than the facsimile of the signature on the letter of credit, and the same with a traveler's cheque. For this reason only, we cashed the draft. The letter of credit refers us to the signature for identification.

In this case the Texas bank has issued a general letter of credit introducing Mr. J. E. C., as having a credit of \$200, authorizing him to draw and promising to pay drafts drawn up to that amount, the drafts to be marked as drawn under the Texas bank's "letter of credit No. 80," the amount of each draft to be endorsed on the letter and the letter to be attached to the last draft drawn. The letter refers the addressee to the signature of Mr. J. E. C., "for identification affixed below," and contains "signature of J. E. C."

This letter was stolen from Mr. J. E. C., and attached to a forged draft for the full amount purporting to be drawn by J. E. C., which was made payable to and cashed by a bank in California.

The California bank asks if it is the loser?

In the June number of the JOURNAL (page 817) I published a brief opinion that a bank purchasing a forged draft against a lost letter of credit is the loser unless the draft is paid by the drawee, in which case the latter is probably bound by the payment under the rule that the drawee of a draft is bound to know the signature of the drawer.

Also in the same number (page 816) was published a further opinion that where a traveler's cheque is lost by the owner and his countersignature forged thereon, the purchaser from the thief has no recourse upon the issuing bank and the true owner is entitled to the amount from the issuing bank. In connection with this last was cited a recent decision in New York that a traveler's cheque paid by the issuing bank on a forgery of the countersignature was not a valid payment, and the case was likened to payment of a check upon forgery of the payee's endorsement; that the countersignature must be treated as the ordinary endorsement of a payee upon an ordinary check and the issuing bank responsible if it pays upon a forgery; that is to say, it must make good the amount to the true owner and would have recourse upon the bank or person to whom it has paid the money.

From the above, the conclusion would follow that the California bank which has cashed the forged draft upon the stolen letter of credit is the loser. The subject, however, is worthy of a little further discussion.

There seems to be a popular impression that when the holder of a traveler's cheque or of a letter of credit presents it to be cashed, and in the one case signs the countersignature upon the check, and in the other, draws a draft in the same name as the signature on the letter, the bank cashing the check or draft is protected although the holder is a thief and the countersignature or signature to the draft a forgery; that the mere possession of a traveler's cheque or letter of credit is sufficient identification

of the holder and warranty of his right to the money to protect the banker in cashing the check for such holder or in advancing him value on the faith of the letter. The letter of our correspondent states such impression. But according to the few decisions there are on the subject, there appears to be no basis for such an impression. If the traveler's cheque or letter of credit ran to bearer, the case would be different, but where the traveler's cheque is issued to a specified payee and is negotiated upon the countersignature of such payee, or a letter of credit names a specified person and affords the basis for negotiation of a draft by such person upon the drawer of the letter, the burden of identification and risk of mistake in both cases, according to the few authorities on the subject, rests with the bank or person who makes the advance. If the holder is a thief and forges the name of the true owner, the person making the advance is not protected by his mere possession of such cheque or letter, as that is not sufficient to entitle any but the true owner to obtain the advance.

The foregoing indicates that there is considerable risk connected with the cashing of traveler's cheques or the advancing of money upon letters of credit, for the chief reliance of the cashing bank must be upon the genuineness of the countersignature to the cheque or of the signature to the draft. If it fairly well corresponds, the bank is apt to make the advance and will be the loser if it proves a forgery. In the present instance the signature of J. E. C. to the draft looks to the writer to be the handwriting of the person who appended his signature to the letter of credit, and so evidently the bank supposed, yet it is said to be a forgery. Upon principle and according to the few authorities on the subject, the bank must be the loser, for it has advanced its money upon a forged check and the stolen letter of credit which the thief and forger presented merely authorized the bank to advance money to J. E. C. and not to another person who impersonates and forges his name. I do not think there is anything in the letter of credit which would constitute a warranty by the issuing bank that the bearer of the letter, whoever he might be, is the person named therein. It simply states that "he is authorized to draw drafts" for the amount named. And the letter recommends Mr. J. E. C. "to your kind attention and referring you to his signature for identification affixed below." There is nothing in this which relieves the bank to whom it is presented from the burden of identifying the presenter as the person named therein and if it makes a mistake and pays the money to a thief who holds the letter and forges the signature of the true letter owner to a draft, it will be the loser according to the decisions, except in a case where the drawee also mistakes the signature and pays the draft, in which event the rule that the drawee is bound to know the drawer's signature, might operate to prevent recovery. In this respect, the purchaser of a forged draft against a lost letter of credit which has been paid by the drawee might be in a little better position than the purchaser of a lost traveler's cheque which has been paid on a forgery of the countersignature for, according to the decision in the New York case cited in the last number of the JOURNAL, the issuing bankers who paid upon a forgery of the countersignature are said by the court to "have their remedy over against prior endorsers as in an ordinary case of forgery of the payee's signature on any other negotiable instrument. Unless it be so held, the whole scheme (of traveler's cheques) seems likely to fail."

AGENT'S AUTHORITY TO COLLECT NOTE.

An authority to an agent to sell does not include authority to collect note received in payment unless principal intrusts agent with possession of note and payment to agent is at debtor's risk unless he can prove agent had actual or ostensible authority to receive payment without having possession of note.

From Oklahoma.—Our patron bought a Cream Separator from an agent for a certain company.

He gave his note to the company for the amount, which was \$60. He then made payments along as he could, making his payment to the agent, who each time gave his receipt for same. When the last payment was made, he demanded the note and was told that it would be secured in time for him and that they would return it to him in time. In the meantime the company writes the purchaser that his note has not been taken care of, as it was sent to a bank here in town for collection and was returned with a credit of ten dollars on the back and is away past due. In case the agent fails in business, is the purchaser liable to the company for the note?

An authority to an agent to sell does not include an authority to collect a note received in payment unless the principal intrusts the agent with possession of the note or unless, without such intrustment, the debtor can show that the principal by his habits and course of dealing has held the agent out as having authority to collect the note. In the case you submit it does not appear that the principal intrusted the agent with the possession of the note, and if the money paid to the agent has not been accounted for, your customer will probably be liable to pay over again unless he can prove in some way that the principal held the agent out as having authority to collect.

In support of the above the following authorities are cited: Where an agent has negotiated the loan or sale for which notes or securities were given, or has been allowed by the principal to receive payments thereon, and the principal has placed the notes or securities in his possession, then in the absence of notice of the agent's want of authority third persons are warranted in inferring that the agent is authorized to collect both interest and principal when they fall due; Meyer v. Hehner, 96 Ill. 400; Doyle v. Corey, 170 Mass. 337; Lawson v. Carson, 50 N. J. Eq. 370; Central Trust Co. v. Folsom, 167 N. Y. 285; Ward v. Smith, 7 Wall. [U. S.] 447; and, on the other hand, it is a general rule that an agent with authority to make loans, or to contract for his principal and to take notes or securities in settlement, will not be presumed to have authority to make collections on such notes or securities if they are not left in his possession by the principal. Ortmeier v. Ivory, 208 Ill. 577; Trowbridge v. Ross, 105 Mich. 598; Padley v. Neill, 134 Mo. 364; Brewster v. Carnes, 103 N. Y. 556; Western Security Co. v. Douglass, 14 Wash. 215.

And even though the principal may have been accustomed to permit the agent to make collections, the rule applies, for the non-possession of the securities raises an implication of a termination of the power, and rebuts the presumption of authority. (Walton Guano Co. v. McCall, 111 Ga. 114; Bloomer v. Dan, 122 Mich. 522; First Nat. Bank v. Chilson, 45 Nebr. 257; Evans-Snider Buell Co. v. Holder, 16 Tex. Civ. App. 300.)

The third person assumes the burden of knowing at his peril that the agent possesses the notes or securities at the time each payment is made, and if, as a matter of fact, he has parted with such possession, payment to him will not discharge the debtor of liability to the principal, unless the money actually reaches the latter. Paris v. Moe, 60 Ga. 90; Stiger v. Bent, 111 Ill. 328; Wolford v. Young, 105 Iowa 512; Haines v. Pohlmann, 25 N. J. Eq. 179; Crane v. Gruenewald, 120 N. Y. 274; Stolzman v. Wyman, 8 N. Dak. 108; Wooding v. Bradley, 76 Va. 614.

These rules, of course, have no application to cases in which the agent has actual or ostensible authority to receive payment for the principal without having possession of the securities. In other words, to give an agent authority to receive payments on a note it is not always essential to leave the note in the agent's possession. Harrison v. Legore, 109 Iowa 618; Springfield Sav. Bank v. Kjaer, 82 Minn. 180; Chamberlain v. Hamilton, 8 N. Y. St. Rep. 305; Reid v. Kellogg, 8 S. Dak. 596. And where a principal by his habits and course of dealing has held an agent out as having general authority to make loans for him, and to receive payments on the same, he may be bound by payments to the agent, although the securities are not in the possession of the latter, and

although payments are accepted before maturity, or are made to one who has had actual authority which has been revoked, but without notice to the third person. *Thornton v. Lawther*, 169 Ill. 228; *People v. Gould*, 118 Mich. 75; *Doyle v. Corey*, 170 Mass. 337; *Pochin v. Knebel*, 63 Nebr. 768; *McConnell v. Mackin*, 22 N. Y. App. Div. 537; *Kent v. Congdon*, 33 Fed. 228; *Ulrich v. McCormick*, 66 Ind. 243; *Edinburgh-American Land Mort. Co. v. Noonan*, 11 S. Dak. 141.

The following are illustrations from some of the later cases:

In *Walker v. Hale* (Neb., 1913), 139 N. W. 658, it was held that where one has placed his agent for the investment of money in notes and mortgages in such a situation that persons of ordinary prudence, acquainted with business usages, would be justified in regarding such agent as having full authority with reference to the extension, collection, etc., of such notes and mortgages, payment to such agent will be deemed payment to the principal. Citing *Harrison Nat. Bank v. Austin*, 65 Neb. 632. And this case further held that whether or not an act is within the scope of an agent's apparent authority is to be determined as a question of fact from all the circumstances of the transaction and the business.

It was held in *Koen v. Miller* (Ark., 1912), 150 S. W. 411, that authority of an agent to collect interest on a mortgage does not afford ground for inferring authority to collect the principal, where the agent is not intrusted with the possession of the securities.

In *Sumrall v. Kitselman Bros.* (Miss., 1912), 58 So. 594, it was held that a purchaser of goods from an agent, authorized to solicit orders, but not to collect, whose payment to such agent was never turned over to the principal, is liable to the principal for the amount purchased, since he dealt with the agent at his peril, and should have inquired as to his powers.

DOES ACCOMMODATION ENDORSER OF CHECK WARRANT AMOUNT TO DRAWEE?

Question doubtful in present state of law, although in a recent New York case, where a raised check was paid by the drawee to the payee, accommodation endorser was held liable to drawee.

From Iowa.—One of our farmer customers recently gave his hired man a check for \$35. This check was presented at a bank at E., a small town near here, and \$200 was paid on same to the hired man. In the regular course of business it came to us and was paid and charged to the customer's account. Yesterday our customer, having his book balanced, and looking over the vouchers, turned this one back to us, advising us that it should have been for \$35. We are returning the check to E. through the channels it came to us. The point we wish to be advised on is as to whether, if there had been an accommodation endorser upon this check, he could now be held, the check having been raised from the original amount? We have run across some decisions in McMaster's which seem to indicate that an accommodation endorser upon a check or draft could not be held where it could be shown that the check or draft was raised or altered. Is this true at the present time? Our understanding has been that where we required an endorser to protect us, that the protection would afford us relief, no matter what contingency arose regarding the check. We would be very pleased to have your opinion.

The question raised is whether an accommodation endorser of a check warrants the amount to the drawee.

Where A draws a check on X bank payable to B for \$50 and B raises the amount to \$500 and presents the check to Y bank, asking that it be cashed, and C endorses for accommodation of B to enable him to get the money, there is no question but that C war-

rants the genuineness of the check to the purchasing bank, Y, and is liable for breach of such warranty.

But where, instead of presenting the raised check to the Y bank, it is presented for payment directly to the X bank, the drawee, and C likewise endorses for accommodation of B, there is some doubt as to the liability of C, the accommodation endorser, to the drawee for the money paid. There would be no basis for an action for money had and received, as C has not received the money, and the only liability would be on the ground of express or implied warranty. Under the Negotiable Instruments Act (Sec. 66) the warranty of genuineness of an endorser runs only to a holder in due course and the drawee does not come within that definition. Under another provision of the same act (Sec. 29) an accommodation endorser is made liable on the endorsement to a holder for value, but the drawee does not come within the definition of a holder for value. The Negotiable Instruments Act, therefore, would seem to provide no warranty by an accommodation endorser to the drawee.

However, in *Smith v. State Bank*, 104 N. Y. Supp. 750, an accommodation endorser was held liable to the drawee for the amount of a raised check paid to the payee. In that case the payee of a raised check asked plaintiff, a depositor in a drawee bank, to introduce him to the bank. Plaintiff asked the teller if the check was good, to which he answered, "Perfectly, I believe." At the request of the teller the plaintiff endorsed the check and the bank paid it. Upon finding that the check was raised, the bank deducted the full amount of the check from plaintiff's account. Plaintiff sued the bank. Held, that plaintiff was an accommodation endorser, and, as such, liable to the bank, but only for the difference between the original amount and the raised amount.

The correctness of this decision has been questioned by a recent text-book writer—Brannan, *Neg. Inst.*, page 39, wherein the following comment is made: "Query whether plaintiff was liable at all? The drawee bank was not a holder for value under Section 29. Nor did plaintiff receive the money or mislead the banker. He only identified the payee."

The United States Supreme Court, in a recent decision, *U. S. v. National Exchange Bank*, 214 U. S. 319, has held that an endorser (in this case not an accommodation endorser) who received payment from the drawee of a check bearing a prior forged endorsement, is liable to the drawee upon a warranty of genuineness implied by the presentation and collection of the check, irrespective of any express warranty, and it is possible that, although technically under the Negotiable Instruments Act an accommodation endorser is not a warrantor of genuineness to the drawee, he might be held liable as an implied warrantor where, by his endorsement, he has enabled the payee of a raised check to wrongfully obtain the money from the drawee.

The question, however, whether an accommodation endorser is liable to the drawee upon a raised check paid by the latter to the payee is somewhat uncertain in the present state of the law.

In your particular case, the raised check drawn on your bank was cashed by a bank in another town and paid by your bank. Had there been an accommodation endorser upon this check he would have been liable to the bank which cashed the check, that bank being liable to you. But in any case where the payee presents a check directly to the bank upon which it is drawn and the drawee pays same upon strength of an accommodation endorsement, the question of the liability of the accommodation endorser to the drawee, should the check prove to be raised is, as already stated, somewhat doubtful.

SUBSEQUENT ACCOMMODATION ENDORSER.

Accommodation endorser signing note after delivery and passing of consideration not liable without new consideration unless pursuant to prior agreement.

From Alabama.—Can an endorser of a note be held who adds his name as joint maker or

endorser (1) after note has been delivered and discounted, (2) after maturity of note, without any consideration to endorser?

The endorser cannot be held in the case stated. The rule is well stated in *Eitel v. Farr*, 165 S. W. (Mo.) 1191, wherein it is held: One who signs a note after it has been executed and delivered and the consideration has passed between the parties incurs no liability unless there be a new consideration; but where a note is so signed pursuant to a promise or agreement made in advance of delivery, the act relates back to the inception of the first contract and no new consideration is required.

APPLICATION OF PAYMENT.

Debtor, owing two or more debts, has primary right to have money tendered in payment applied upon any debt he specifies, and creditor must apply accordingly—But if creditor refuses and applies payment upon another debt, acquiescence by debtor will ratify such application.

From Wyoming.—This bank held one note signed by John Doe and poorly secured by real estate. It held an additional note signed by the same John Doe far over secured on chattels. Both notes were past due. The aforesaid debtor brought in his own check on another bank for an amount just sufficient to pay his chattel note and demanded the note and release. This was refused, and he was informed that the check would be used as partial payment of the interest on the large real estate note. After this statement to him, he left the check and did not make further demand for the chattel mortgage note and allowed the check to be paid. On the face of the check was written "for chattel mortgage." Could the debtor have forced the bank to have accepted the money on the chattel mortgage note and release the chattels?

The debtor could have forced the bank to accept the payment of the chattel mortgage note and to release the chattel mortgage (there being no contract or agreement under which the chattels could be held for any other indebtedness), but when the creditor refused and insisted that the money should be applied on the debt secured by the real estate and the debtor thereupon left the check and allowed it to be paid and made no further demand for the chattel mortgage note, this would seem to constitute an acquiescence in and ratification by the debtor of the application of the money upon the real estate note, unless possibly the fact that the check was marked "for chattel mortgage" would negative such acquiescence and ratification. But I hardly think that such would be the effect, for while it was the original intention of the debtor to pay off the chattel mortgage note and in pursuance of such intention he marked the check "for chattel mortgage," his subsequent acquiescence in the position of the creditor bank that it would not receive the check for that purpose—a position in which it was not legally justified if the debtor had insisted upon his rights—would, I think, constitute a ratification of the application of the proceeds of the check upon the real estate note. However this may be, your question is simply whether the debtor could have forced the bank to have accepted the money on the chattel mortgage note and to have released the chattel mortgage, and the answer to this question is that he had such right if he had insisted on it.

The following review of the authorities on the subject of the application of payments as between debtor and creditor may be found instructive.

The rule is well recognized that a debtor paying money to his creditor has the primary and paramount right to direct the application of his money to such items or demands as he chooses. *Lynn v. Bean*, 141 Ala. 236; *Wendt v. Ross*, 33 Cal. 650; *Boyd v. Water-*

town, etc., Co., 20 Colo. App. 28; *Thayer v. Denton*, 4 Mich. 192; *Lincoln v. Lincoln St. Ry. Co.*, 67 Neb. 469; *Seymour v. Marvin*, 11 Barb. [N. Y.] 80; *Patterson v. Van Loon*, 186 Pa. St. 367; *Proctor v. Marshall*, 18 Tex. 63; *Chapman v. Com.*, 25 Gratt. [Va.] 721; *Hazzard v. Tomkins*, 108 Wis. 186; U. S. v. *Kirkpatrick*, 9 Wheat. [U. S.] 720; *Buchanan v. Findlay*, 9 B. & C. 738, provided the payment is a voluntary one.

A direction by the debtor as to the application of payments may be shown by an express agreement between the debtor and creditor (*Hansen v. Rounsevell*, 74 Ill. 238), by the express declaration of the debtor (*Terhune v. Colton*, 12 N. J. Eq. 232), or it may be implied from circumstances showing the debtor's intention. (*Pearce v. Walker*, 103 Ala. 250; *Shaw v. Picton*, 4 B. & C. 715; *St. John v. Rykert*, 10 Can. Sup. Ct. 278.)

Where a debtor directs the manner in which his payment is to be applied, the creditor, if he accepts the payment, must apply it accordingly. (*Perdue v. Brooks*, 85 Ala. 459; *Reed v. Boardman*, 20 Pick. [Mass.] 441; *Hanson v. Cordano*, 96 Cal. 441 [holding that where it appears that at the time payments were made by a debtor, to his creditor, the debtor intended them to be applied upon a specific obligation, and the creditor "well knew" that the debtor so intended, nothing further was required to fix the application of the payments, and the mode by which the debtor manifested his intention in such case was immaterial]; *Goodman v. Snow*, 81 Hun [N. Y.] 225 [holding that where a payment is made by a debtor to a person holding a judgment against him, to whom he was also indebted upon an open account, with directions as to the indebtedness upon which such payment should be applied, it was the duty of the person receiving the payment to apply the same as directed by the debtor]; *Smuller v. Union Canal Co.*, 37 Pa. St. 68; *The Memnon*, 62 Fed. 482). In the Pennsylvania case cited *supra*, it was held that the receipt of money for a defined use amounts to an agreement on the part of the person receiving it that he will not apply it to any other.

In *U. S. Bank v. McCallister*, 9 Barr [Pa.] 475, funds had been deposited in bank for a special purpose, with notice of the purpose for which they were designed; and it was held that the bank could not refuse to apply them to the object for which they were deposited, on the ground that a debt was due from the depositor.

The debtor has the right to determine upon what debt the money paid to the creditor should be applied, and after so determining, the creditor should not apply it to any other debt. (*Milwaukee, etc., Store v. Katz* (Wis., 1913), 140 N. W. 1038; *Barnett v. Sipp* (Ind., 1912), 98 N. E. 310; *Ross-Higgins Co. v. Rock* (Wash., 1911), 118 Pac. 744; *Stone Co. v. Rich* (N. Car., 1912), 75 S. E. 1077 [holding that a direction by a debtor as to the application of payments may be shown by an express agreement, by the declaration of the debtor, or implied from circumstances showing the debtor's intention at the time of payment, and the intention need not be expressed in writing nor in any technical or formal words, nor delivered in any particular manner, but will be sufficient if the intention is manifest, and it comes to the knowledge of the other party at the proper time]).

The application of the payment cannot be diverted without the consent of the debtor (*Levystein v. Whitman*, 59 Ala. 345; *Jackson v. Bailey*, 12 Ill. 159; *Rundlett v. Small*, 25 Me. 29), but where the creditor applies the payment differently from the direction of the debtor, the latter may be bound thereby by his acquiescence or other acts showing a ratification of such application. (*Steiner v. Jeffries*, 118 Ala. 573; *Cardnell v. O'Dowd*, 43 Cal. 586 [holding that if a party who is indebted on several promissory notes, all held by the same person, makes a payment of money to the holder and directs it to be applied on one of the notes, but the holder applies it on other notes than the one directed, and the payor afterwards acquiesces and takes the notes upon which the application was made, this is a ratification of the application made by the creditor]; *Bird v. Benton*, 127 Ga.

371; Citizens' Bank v. Carey, 2 Indian Terr. 84; Spencer Optical Mfg. Co. v. Jump, 10 N. Y. St. Rep. 130; Sloan v. Sloan, 46 Oreg. 36.

It will thus be seen that the debtor has the primary and paramount right to direct the application of money paid to the creditor to such items or demands as he sees fit, and acceptance by the creditor compels him to make such application. Of course, refusal or failure on the part of the creditor to make such application, acquiesced in by the debtor, amounts to ratification on the part of the latter to such application of the payment as the creditor may elect. The question, however, as to whether the debtor has acquiesced or not, in the application of the payment attempted to be made by the creditor, is one of fact, to be governed by the circumstances of each particular case.

APPLICATION OF PAYMENT.

Where A gives note to bank and B signs with him and, after maturity, A tenders money to bank with request that it be applied on such note, but bank applies on other indebtedness of A, B, who is surety, is released.

From Montana.—A, who owes C's bank \$7,000 on notes and has a checking account with C, gets B to sign a note with him for \$2,500 due in three months. (B is really an accommodation signer.) C accepts the note with the idea and understanding that it will be paid with money that A is to receive from G before the note comes due, since he does not consider B as sufficient security. A receives the money from G three months after the note comes due and requests C to apply same on the \$2,500 note. C applies the money on A's other notes and checking account and leaves a balance to A's credit for the future checks to be drawn by A of \$700. B, who has never been notified that the note has not been paid, is sued thirteen months later. A has become insolvent. What are B's defenses to the note in Montana?

The rule recognized in practically every jurisdiction is that a debtor paying money to his creditor has the primary and paramount right to direct the application of his money to such items or demands as he chooses, provided the payment is a voluntary one. Lynn v. Bean, 141 Ala. 236; Messengale v. Pounds, 108 Ga. 762; Middleton v. Frame, 21 Mo. 412; Oliver v. Phelps, 20 N. J. L. 180; Seymour v. Marvin, 11 Barb. [N. Y.] 80; Patterson v. Van Loon, 186 Pa. St. 367; Chapman v. Com., 25 Gratt. [Va.] 721; U. S. v. Kirkpatrick, 9 Wheat. [U. S.] 720; Buchanan v. Findlay, 9 B. & C. 738; Wilson v. Rykert, 14 Ont. 188.

The Montana statute (Rev. Codes Mont. [1907], Tit. IV, Chap. 1, Sec. 4928) provides as follows as to application of payment:

"Where a debtor, under several obligations to another, does an act, by way of performance, in whole or in part, which is equally applicable to two or more of such obligations, such performance must be applied as follows:

"1. If, at the time of performance, the intention or desire of the debtor that such performance should be applied to the extinction of any particular obligation, be manifested to the creditor, it must be so applied. * * *

And, apropos of this discussion, section 4923, of the same statute, provides as follows: "Performance of an obligation by one of several persons who are jointly liable under it, extinguishes the obligation of all."

In view of the Montana statute in regard to the application of voluntary payments, above cited, it appears that "B" has a perfect defense to a suit on the note for \$2,500, of which he was one of the joint makers, in the plea of "payment"; Sec. 4923 of the statute, just quoted, being ample authority for the plea, taken in conjunction with Sec. 4928 of the same act.

NOTE MATURING ON SATURDAY IN PENNSYLVANIA.

By statute in Pennsylvania, a note otherwise presentable for payment on Saturday is "payable" on Monday, hence bank owning note would be entitled to interest for two added days and renewal should be dated Monday.

From Pennsylvania.—I would be pleased to have you advise me regarding the following: A note falling due on Saturday, which in Pennsylvania is a half holiday, of course, cannot be protested nor payment demanded until Monday; but suppose a patron not intending to liquidate the note, but to renew for its full amount, should pass the matter by until Monday, then present a paper dated on Monday to take up the one which matured on Saturday, of the same amount, could we legally demand that the paper be dated as of the same date on Saturday when it became due? Understand in the transaction it is not liquidating the note due on Saturday, neither is the paper presented on Monday a negotiation of a new accommodation, but simply an exchange of papers to extend the time of payment, say, for two or three months with only a tender of the interest or discount in the adjustment.

The point I raise is this, that if a patron could legally pursue a sharp practice of this character and this practice would be followed by all patrons having paper maturing on Saturday, and which would be renewed, the bank, by reason of such sharp practice, would be the loser in a considerable amount of interest as represented in these two days. Suppose that all patrons having papers due on Saturdays were to pursue the same course and this was to be carried out throughout the entire year, there would be a loss to the bank of 104 days of interest, almost one-third of the banking year. I have not been able to discover any decision which would inform me regarding the legal status of the transaction and I would be very much pleased if you were to give me your opinion as to the right of the bank to insist, under these conditions, that the note offered in exchange as a renewal should be dated on the same day, namely, Saturday, that it matures.

On February 16, 1911, the legislature of Pennsylvania enacted a statute which, among other things, provides that every Saturday, after twelve o'clock noon until twelve o'clock midnight, each of which Saturdays is designated a half-holiday, "shall, for all purposes whatever as regards the presenting for payment or acceptance, and as regards the protesting and giving notice of the dishonor, of bills of exchange, checks, drafts, and promissory notes, made after the passage of this act, be treated and considered as the first day of the week, commonly called Sunday, and as public holidays and half holidays; and all such bills, checks, drafts, and notes, otherwise presentable for acceptance or payment on any of the said days, shall be deemed to be payable and be presentable for acceptance or payment on the secular or business day next succeeding such holiday or half holiday; except checks, drafts, bills of exchange, and promissory notes, payable at sight or on demand, which would otherwise be payable on any half holiday Saturday, shall be deemed to be payable at or before twelve o'clock noon of such half holiday: Provided, however, That for the purpose of protesting or otherwise holding liable any party to any bill of exchange, check, draft, or promissory note, and which shall not have been paid before twelve o'clock noon of any Saturday designated a half holiday, as aforesaid, a demand for acceptance or payment thereof shall not be made, and notice of protest or dishonor thereof shall not be given, until the next succeeding secular or business day: * * *

This statute provides that a note otherwise presentable for payment on Saturday "shall be deemed to be payable and be presentable" on Monday. A

note, therefore, which by its terms falls due on Saturday does not mature until Monday and the bank is not entitled to payment until then. If instead of payment a renewal is taken, this should bear date as of Monday when the old note matures and is payable. I do not see that the bank would lose the two days' interest. If the note was made payable with interest, the bank would be entitled to collect it for the two days, or if such a note was discounted, the bank, at the time of discount, would have the right to figure and deduct the interest for the two added days which intervene before the note is payable.

STOP PAYMENT OF NOTE PAYABLE AT BANK.

Note payable at bank is equivalent to order to bank to pay same for account of maker and latter has right to stop payment.

From New York.—Will you kindly advise me whether the maker of a note can legally stop payment on his note by giving written notice to the bank at which it is payable, also advising me what section of the Negotiable Instruments law of this State covers this particular case?

The maker of a note payable at a bank has a right, of course, to stop payment of the note by the bank. Section 147 of the New York Act provides that "Where the instrument is made payable at a bank it is equivalent to an order to the bank to pay the same for the account of the principal debtor thereon."

Where, therefore, the maker of a note makes it payable at his bank, he orders the bank to pay it at maturity and charge it up to his account by virtue of this provision of the law; and if the maker does not want the note paid, it is necessary for him to notify the bank not to pay the same, as he would do in the case of a stopped check.

NEGOTIATION OF ALTERED CHECK.

Where payee alters date of check to six months later and then negotiates, purchaser cannot recover from drawer, if alteration apparent; but if not apparent, the check is enforceable according to its original tenor and purchaser's right of recovery depends on whether check was negotiated within a reasonable time after issue.

From Pennsylvania.—December 24, 1913, A and B used their joint note of \$150, the proceeds of which went to A, who agreed to lift the note when due. In a way to protect B on the above note, A gave to B his check dated December 24, 1913, for \$150, to be held by B pending payment of the note by A. At maturity of the note, A lifted it and advised B to that effect, requesting the return of the check mentioned, when B told A the check was or would be destroyed. June 5, 1914, however, B changed the date of the check from December 24, 1913, to June 5, 1914, and presented it to a bank for payment, where it was cashed—the bank cashing the check having previously cashed for B a number of checks given him by A which were always paid by A's bank. The bank cashing the \$150 check for B, forwarded it in the usual course to A's bank, where it was protested for not sufficient funds. On receipt of protest notice, A stopped payment of the check. Is A liable for payment of the check, B having no responsibility and his whereabouts being unknown? As a general question, does stop payment by the signer of a check relieve him in all circumstances from payment, or do certain circumstances, such as stated in connection with the above instance, attach liability to the signer notwithstanding the stop payment?

In this case a bank has purchased from the payee, B, the check of A, altered as to date, and the question is whether such purchasing bank has a right of action against A, the drawer, thereon. Section 124 of the

Negotiable Instruments Act provides: "Where a negotiable instrument is materially altered without the assent of all parties liable thereon, it is avoided, except as against a party who has himself made, authorized, or assented to the alteration, and subsequent indorsers. But when an instrument has been materially altered and is in the hands of a holder in due course, not a party to the alteration, he may enforce payment thereof according to its original tenor."

It has been held that where the mere inspection of a check showed that it had been altered in date, the purchaser could not recover on it according to its original tenor. He cannot be a holder in due course because it was not regular on its face, as required by Section 52 of the Act. *Elias v. Whitney*, 98 N. Y. Supp. 667.

In the present case, therefore, if the alteration was apparent from the face of the check, the purchasing bank could not hold A, the drawer, liable thereon.

But assuming the alteration was skilfully made and non-apparent. In *Moskowitz v. Deutsch*, 92 N. Y. Supp. 721, the payee of a check represented that it was lost and received another check from the drawer, which was paid. He then changed the first check by dating it ten days later—the original check was dated September 2 and the change was simply the insertion of a "1" before the "2," making the date September 12—and transferred it to a purchaser for value. The court in this case held that the purchaser could recover from the drawer of the check according to its original tenor. I quote from its language:

"The plaintiff now sues the drawers, and the defense is a general denial and forgery. That the date of this check has been altered by Goldberg, or at his instance, is too clear for dispute. Such an alteration is material, constitutes forgery, and destroys the validity of the check, except as provided by section 205 of the Negotiable Instruments law (Laws 1897, p. 745, c. 612), which declares that, 'When an instrument has been materially altered and is in the hands of a holder in due course, not a party to the alteration, he may enforce payment thereof according to its original tenor.' If it be assumed, therefore, as the court below has found, that the plaintiff is an innocent holder for value in due course, he may assert such rights as are conferred by the check as it was before the alteration. We then have a case where a check dated September 2d is cashed by the plaintiff and presented for payment more than ten days thereafter. As all the parties resided, and the bank was situated, in the city of New York, the delay in the presentation of the check was unreasonable, and was sufficient to discharge the defendants as drawers from liability thereon to the extent of the loss, if any, incurred by them in consequence of the delay. But the only way in which a drawer of a check can be exposed to injury by such delay is where the bank becomes insolvent subsequent to the delivery of the check and prior to its presentation. *Eaton & Gilbert on Commercial Paper*, 630, and cases cited; *Andrus v. Bradley* (C. C.), 102 Fed. 54, affirmed 107 Fed. 196, 46 C. C. A. 238, 53 L. R. A. 432. The loss suffered by the defendants must be attributed not to delay in the presentation of the check, but to their imprudent reliance on the false and fraudulent representations of the payee. Before giving the new check, the defendants might have insisted upon full indemnity from Goldberg, and thus escaped the loss of which they now complain. By their conduct, Goldberg found it possible to perpetrate a fraud, and the consequences of their misplaced confidence in him should be borne by them, and not visited upon the plaintiff, an innocent party to the transaction. Upon the facts, the plaintiff was entitled to judgment."

But in the case last cited the point is not considered—and I think it important as affecting the drawer's liability—whether negotiation of a check at some length of time after its date—in the case now

being considered it was nearly six months—is not such unreasonable time after its issue as to subject the check in the hands of the purchaser to equities of the drawer against the payee. The Negotiable Instruments Act provides (Sec. 53) that "Where an instrument payable on demand is negotiated an unreasonable length of time after its issue, the holder is not deemed a holder in due course." In the present case the check was dated December 24, 1913, and was not negotiated until the following June 5th, nearly six months later. The purchasing bank, of course, took only the same rights as if the check actually bore its true date—according to its original tenor. The authorities upon what is a reasonable time for negotiation of a check are not all in accord. In Matlock v. Scheuerman, 51 Ore. 49, it was held that a check dated and issued on one day and negotiated at noon on the next day is not overdue so as to convey notice to the endorsee of its illegality or its previous dishonor, and in Mfg. Co. v. Summers, 143 N. C. 102, five days between the issue and negotiation of a cashier's check was held not an unreasonable time. But where the negotiation is six months after date, the decision might be different. In Bull v. Bank of Kasson, 123 U. S. 105, a check negotiated five months after date was held not overdue nor open to defenses; but just the contrary was held in Cowing v. Altman, 71 N. Y. 435. In Pennsylvania it has been held that one who purchases a check a year after date takes it subject to equities. Lancaster Bank v. Woodward, 18 Pa. St. 357. If the Pennsylvania courts

should hold that a check, not negotiated by the payee until nearly six months after its issue, was negotiated at such an unreasonable length of time as to subject the endorsee to equities of the drawer against the payee, the purchasing bank cannot recover in the present case. The equities which the drawer might plead would be that he did not owe the payee the amount and furthermore that the check was avoided by forgery, and the purchaser, not being a holder in due course, could not enforce it according to its original tenor.

The conclusion to be reached in the present case, therefore, is (1) if the check bore on its face evidence of alteration, the purchasing bank cannot hold the drawer, as it would not be a holder in due course and the check would be avoided by the alteration. (2) If the alteration was not apparent, the right of recovery by the purchasing bank and the liability of the drawer will depend upon whether the Pennsylvania courts will hold that the time which elapsed between issue and negotiation was or was not unreasonable. If unreasonable, the purchasing bank would not be a holder in due course and could not recover.

You ask generally whether stop payment by the drawer relieves him from payment of a check. It of course does not have such effect whenever he has issued a negotiable check which has passed to the hands of a holder in due course. Such holder can enforce it against the drawer, notwithstanding countermand of payment by the latter.

A. B. A. MORTUARY RECORD REPORTED DURING JUNE.

- Avery, Waldo A.—Director United Savings Bank, Detroit, Mich.
- Clark, Henry O.—Director Peoples Bank, East Orange, N. J.
- Cowgill, H. C.—Vice-President Bank of Carthage, Carthage, Mo.
- Daw, George W.—Director People's Bank, Troy, N. Y.
- De Long, Daniel P.—Vice-President Glens Falls Trust Company, Glens Falls, N. Y.
- Dozier, Lewis D.—Director Mercantile Trust Company, St. Louis, Mo.
- Eddy, Frank Woodman—Director Detroit Trust Company, Detroit, Mich.
- Falmestock, Harris Charles—Vice-President First National Bank, New York City.
- Furth, Jacob—Chairman of Board, Seattle National Bank, Seattle, Wash.
- Hallett, Charles Wesley—Vice-President Long Island City Savings Bank, Long Island City, N. Y.
- Holley, John M.—President State Bank of La Crosse, La Crosse, Wis.
- Hubbs, David—President Farmers & Merchants Bank, Catskill, N. Y.
- Kimberlin, Augustus H.—Vice-President National Tradesmen's Bank, New Haven, Conn.
- Lelong, Alphonse Amset—Vice-President Citizens Bank & Trust Company, New Orleans, La.
- Look, William—President First National Bank, Shullsburg, Wis.
- Luchsinger, George H.—President Humboldt Savings Bank, San Francisco, Cal.
- McDonald, James C.—Director National Newark Banking Company, Newark, N. J.
- Needles, Thomas B.—President First National Bank, Nashville, Tenn.
- Nolan, John—Vice-President Pella National Bank, Pella, Iowa.
- Olson, F. A.—Cashier Rushford State Bank, Rushford, Minn.
- Orr, Alexander E.—Vice-President and Director Mechanics & Metals National Bank; Director United States Trust Company, New York City.
- Parmelee, John B.—Secretary and Assistant Treasurer Hamilton Trust Company, Paterson, N. J.
- Preston, Robert—President First National Bank, Salida, Col.
- Robinson, James J.—President Ohio Savings Bank & Trust Company, Toledo, Ohio.
- Rottenburg, Julius—Banker, Boston, Mass.
- Royce, L. B.—President Citizens State Bank, Fort Atkinson, Wis.
- Seibert, David H.—President Pennsylvania National Bank, Pottsville, Pa.
- Thompson, James B.—Director Corpus Christi National Bank, Corpus Christi, Tex.
- Turner, George T.—President Farmers & Merchants Bank, Vandalia, Ill.
- Tuttle, Adelbert C.—Treasurer Naugatuck Savings Bank, Naugatuck, Conn.
- Williamson, Erie A.—Vice-President Boulder National Bank, Boulder, Col.



PROTECTIVE DEPARTMENT



L.W. GAMMON

MANAGER

OFFICES OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

ALABAMA, BIRMINGHAM.—Brown-Marx Building.
CALIFORNIA, LOS ANGELES.—Walter P. Story Building.
CALIFORNIA, SAN FRANCISCO.—First National Bank Building.
COLORADO, DENVER.—First National Bank Building.
ILLINOIS, CHICAGO.—Transportation Building.
LOUISIANA, NEW ORLEANS.—Whitney Central Building.
MARYLAND, BALTIMORE.—Munsey Building.
MASSACHUSETTS, BOSTON.—201 Devonshire Street.
MICHIGAN, DETROIT.—Dime Savings Bank Building.
MINNESOTA, MINNEAPOLIS.—McKnight Building.
MISSOURI, ST. PAUL.—New York Life Building.
MISSOURI, KANSAS CITY.—Midland Building.
MISSOURI, ST. LOUIS.—704 Title Guaranty Building.
NEW YORK, BUFFALO.—White Building.
NEW YORK, NEW YORK CITY.—Woolworth Building.

OHIO, CLEVELAND.—Rockefeller Building.
OREGON, PORTLAND.—Yeon Building.
PENNSYLVANIA, PHILADELPHIA.—New Stock Exchange Building.

PENNSYLVANIA, PITTSBURGH.—Commonwealth Building.
TEXAS, HOUSTON.—Union National Bank Building.
WASHINGTON, SEATTLE.—Hinckley Block.

FOREIGN OFFICES OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

CANADA, MONTREAL.—501 Transportation Building.
ENGLAND, LONDON, W.—Crown Chambers, 5 Regent St.
FRANCE, PARIS.—16-17 Rue Auber.
BELGIUM, BRUSSELS.—4 Passage des Postes, No. 6
Boulevard Ansprech.

CORRESPONDENT OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

IOWA, DES MOINES.—The Gus. J. Patek Detective Agency,
515 Mulberry Street.

NEW OFFICE.

THE office of our detective agents, THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, Inc., formerly located in Atlanta, Ga., has been transferred to Birmingham, Ala., No. 430 Brown-Marx Building. All American Bankers Association matters should be reported to the Birmingham, Ala., office, instead of to the Atlanta, Ga., office as heretofore.

THE following is a report for the month of June, 1914, pertaining to the work of the Protective Department:

WARNING.

The experience of a middle western banker with a number of alleged promoters from New York is given below that members of this Association may have warning of the operations of this group of swindlers, and in which the details of a confidence game are given, which failed.

A banker in a middle western city was approached by one of his reputable and responsible customers, a real estate dealer, in company with a capitalist. It appeared that the real estate dealer was visited in his office by a man representing himself to be a traveling salesman and whose story was given as follows: He had accumulated a little money and was desirous of purchasing a certain farm in a certain locality, but never having had any real estate transaction, did not feel like trusting his own judgment, but thought it the part of wisdom to secure the services of some reputable real estate dealer to handle the negotiations for him, and having a little time in the city he had made inquiry and found that this real estate dealer was very highly recommended and he would like to commission him to handle the transaction. He did not have time to go into all the details then, but would on his next trip. A few days later this real estate dealer received word from this traveling man that he would be in a neighboring city on a certain Sunday, and if convenient would like to have Mr. Real Estate Dealer there and go into the matter fully and decide on final plans.

The real estate dealer met the salesman in the neighboring city as requested and the proposition was gone into at considerable length. The traveling salesman had with him a man whom he introduced as his brother. The traveling salesman was called from the room. The brother then related to the real estate dealer the following confidential story:

"I am the confidential secretary to a party of

large means in New York, and although I have handled a great many deals for my principal, I do not feel that I have ever been recompensed as I should have been for my services. I am now in possession of facts of large transactions which I am going to use confidentially and try to make a little money for myself."

He then related the following story as facts:

"Some few years ago a Colorado mine was floated and its stock sold in the immediate vicinity of this city (referring to the city that they were in at that time). The largest part of it was sold to farmers a short distance from here—some fifty miles or more. The stock has never paid any dividends, but developments have gone on, and I can tell you in confidence that the owners, my principal and his associates, have been to the property and have, after elaborate and expensive tests, fully decided that there is a large body of ore in sight and that the mine will be a bonanza."

He then produced the names of a number of farmers purporting to have purchased this stock at a dollar per share or less. He then advised that he could not go out and buy this stock personally on account of the awkward position it would place him in with his principal. He then advised the real estate man that he appealed to him as a man of judgment and would like to have him act and participate in the profits, advising that the stock could be bought at a dollar or less per share and could be sold at from two to two and a half dollars per share. He then suggested that they wire a certain brokerage house in New York, using his own name to the wire, and which was sent to the New York brokerage firm, and a reply was received from this firm advising that they would pay cash for twenty thousand shares at two dollars per share. Some little time later a second telegram was received advising that the senior member of the firm would be in the city the following morning, prepared to name the top figures which they would pay for this stock.

The traveling salesman and his brother were at the hotel the next morning and the real estate dealer was made a flat offer of \$2.50 for all stock procurable within a certain time, up to \$25,000; this being made by the senior member of the firm, who came forward to meet him. The real estate dealer reported this to the brother, the confidential secretary, who advised that so long as a member of the firm was on the ground he would not be able to close with any of the farmers he had already started the deal with, but advised the real estate dealer that if he would go to a certain town he could fill an appointment already made for the purchase of five hundred shares of

stock at one dollar per share, and that he would find this farmer waiting at a certain hour at a certain hotel. Five hundred dollars was given the real estate dealer in cash to make this purchase of stock. He went as suggested and purchased the stock, which he turned over to the broker and was paid \$1,250 for the same in cash. He then reported back to the confidential secretary, who advised that on the following morning at ten o'clock he could fill another engagement which the confidential secretary had made with a farmer in another nearby town for the purchase of ten thousand shares of stock. The appointment was filled and a contract was entered into in writing between the farmer, who carried supposedly good credentials, and the real estate dealer, whereby the stock was to be delivered at a price of \$1.25 per share cash, and the sum of \$1,250 in cash, which the real estate dealer had already procured from the other transaction, was then and there turned over to the farmer and an engagement made for three days later, at which time the balance of the cash was to be turned over and the certificates delivered.

The real estate dealer then called on his banker and explained that he wanted a certain amount of money in cash, and that the capitalist, being familiar with the transaction and having confidence in the real estate dealer, would go on his note as security for the balance due, or \$1,250. The story having some peculiar aspects, it was decided that the three—the real estate dealer, the capitalist, and the banker—would go to the town mentioned and arrange for the completion of the transaction if everything looked satisfactory. Arriving in the town late at night, they were met by the confidential secretary, who reported merely that the broker was still in town; that he, however, was in touch with the farmer and that the deal could be consummated in an adjoining town around noon on the following day.

Early the following morning the three gentlemen called at the hotel where Mr. Broker was stopping. He assured them of his willingness and ability to pay \$25,000 cash for the 10,000 shares of stock when delivered. The banker then made arrangements with a banker in the town in which they were to procure \$1,250 in cash, which was done, and the precaution taken on the part of the banker who arranged for this loan to borrow a reliable revolver from the banker where the money had been procured, and the real estate dealer and the banker and capitalist started for the town, some four miles distant, where the arrangements with the farmer were to be consummated. Arriving in the town with the cash, the banker thought it wisdom to immediately call at a bank in this town, leaving the cash in this bank for safe keeping. Following this the three gentlemen called at the hotel and met the farmer and advised him that they were there to take up the stock and pay him the cash. The stock was at once exhibited by the farmer, who, after some little conversation, suggested that the cash be paid to him and he would turn over the certificates; but the banker refused to allow his customer to do so until his customer was absolutely certain that the stock exhibited was of the same issue as that sought and the money turned over to his customer by the broker. This the farmer did not like, and suggested that as long as they had the cash with them that they should all go back to the town where the broker was located and consummate the deal there. This proposition the banker did not care for and suggested that all parties at interest should go to the bank where the money had been deposited and enter into an escrow agreement whereby the money was to be turned over to the farmer at three o'clock that afternoon unless the banker notified the bank that the deal was not consummated, either through rejected certificates or otherwise, in which case the banker would return the certificates to the banker who held the money, who in turn would hand the certificates over to the farmer and the money back to the banker. This the farmer finally agreed to, and an escrow agreement was drawn at this bank. The farmer, on the pretext of poor eyesight and ignorance of legal matters, disliked signing the agreement until he could get his lawyer to express an opinion on the transaction for him, and left

the bank to get his lawyer. This was the last seen of the farmer. Telephone and telegraph lines were used in an effort to locate him, but without avail. Returning to the city where Mr. Broker was supposed to be stopping, no trace was to be found of him, the traveling salesman, or the confidential secretary.

The banker, capitalist, and real estate dealer were treated to an unusually interesting time at the expense of a wasted day and carfare, but which was more than made up to them in the extremely valuable experience gained and the excitement of the game. By the level-headedness of the banker who was called into this transaction, Mr. Real Estate Dealer and Mr. Capitalist were evidently saved the amount of \$11,250.

We hope that every bank member will read this and profit by the warning.



CHARLES W. SHARP.

The above is a picture of CHARLES W. SHARP, alias George Darlington, alias Colonel G. H. Harris, alias Henry N. Harrington.

On February 25, 1913, this criminal was sentenced from Spokane, Wash., for defrauding a member of this Association, to a term of from two to twenty years in the Washington State Penitentiary.

On April 27, 1914, he escaped from that institution and a reward is offered for his apprehension and return. All banks should be on the lookout for this criminal, as he is a dangerous forger and will in all possibility continue his operations.

Charles W. Sharp is described as being 49 years of age; 5 feet 7 1/2 inches; weight, 120 pounds; build, slender; eyes, maroon; hair, graying; teeth, good; complexion, sallow; occupation, accountant; nativity, American. Below is a reproduction of this forger's handwriting.

Henry H. Darlington
Two Hundred and Fifty
250 00

A man representing himself to be C. M. LOWRY presented a check at a bank member of Selma, Ala., bearing the endorsement of a clergyman in that city, which the bank cashed. The check was returned to the bank marked "No account" and the clergyman pronounced his endorsement a forgery.

The day previous to cashing the check the forger had written a letter to the minister, using the name of J. R. Hammond, and saying he wished to be married and asking if the minister could officiate. The man did not show up, and it is believed this letter was only a ruse to secure the clergyman's signature.

On April 16, 1914, a man named A. B. HARALSON applied to a bank member at Duncan, Ariz., for a loan, secured by a bill of sale for furniture and fixtures in a restaurant he was conducting. He represented that the property was paid for in full, and the bank, knowing he had been paying cash for all he bought in town, negotiated the loan.

Recently the member learned that he had left the town, and upon communication with local merchants learned that the furniture and fixtures belonged to the merchants and not to Haralson.

Claiming that he was a representative of the Ajax Auto Wheel Co., and that his employers deposited his salary each month at a bank member in New York City, CLAUDE S. RUSSELL appeared at a bank member at Siloam Springs, Ark., and requested that a draft be written out for the amount of his salary.

Upon receiving the draft he stated that he would have a friend, who was known to the bank, endorse it. He returned in a short while with the draft and it was cashed. The draft was returned from the New York bank marked "No account."

Russell, who has also operated in Salt Lake City, Princeton and Galesburg, Ill., is described as follows: Age, 32 years; height, 6 feet; weight, 190 pounds; complexion, light; eyes, light brown; hair, thin on top; high forehead; smooth face, turns red when addressed; well built, has the appearance of an athlete or soldier. A specimen of his handwriting is reproduced below.

The Arkansas Bankers' Association is co-operating with this Association toward bringing about the apprehension of this individual.

C. S. Russell—

A search is being made for GEORGE PFAU, JR., senior member of the firm of an oil manufacturing concern, who disappeared from his home in Jeffersonville, Ind., after an involuntary petition in bankruptcy was filed against the firm, which disclosed that they owed large sums to banks in Chicago, Ill., Cincinnati, Ohio, Louisville, Ky., Seymour, Jeffersonville and Charlestown, Ind. A grand jury investigation of a financial institution in Jeffersonville, Ind., of which George Pfau, Jr., was treasurer, uncovered transactions that furnished the basis of a criminal charge against him.

A party using the name J. N. or J. W. TAYLOR, and representing himself as a physician, swindled a customer of a bank member at Thomaston, Ga. The customer endorsed a draft drawn on a bank member at Rock Hill, S. C., for Taylor, which was paid by the member at Thomaston and which was returned as being worthless.

A member bank of Peoria, Ill., has reported to our detective agents at their Chicago office the operations of a foreigner using the name of WILLIAM BALLEY, alias William Belly, alias William Belley, a Russian, who is described as follows: Age, 30; height, 5 feet 5 or 6 inches; weight, 150 pounds; build, medium; complexion, swarthy; hair, black; eyes, blue; smooth shaven; prominent cheek bones and full lips. He usually dressed in a dark blue suit, black derby hat, and black shoes. Appearance, laborer; nativity, Russian; and occupation, laborer.

This person was rooming with a customer of the bank and whose pass book he stole, forging the name of his roommate to a check in the sum of \$55. This is a very common pastime among the foreigners and due diligence should be exercised in dealing with this class of depositors.



ADOLPH E. JANSEN.

ADOLPH E. JANSEN is wanted by our detective agents for having defrauded a member bank in Montreal, Canada, by means of a stolen letter of credit of a member bank in New York City, to which he forged the signature of the bank's officials. Jansen is described as follows: Age, 42 years; height, 5 feet 10½ inches; weight, 165 to 170 pounds; complexion, sandy; hair, sandy, mixed with gray, and thin; eyes, blue or gray; red nose; slightly deaf; gin drinker; nationality, German.

In November, 1913, WILLIAM T. DAVIS gave a chattel mortgage to a bank member at Yuma, Colo., on thirty-four head of cattle and nine horses, colts and mules. In February, 1914, he sold the cattle, two of the mules and some of the horses, and disappeared.

Davis is a single man, described as being 45 years of age; 5 feet 9 inches tall and weighing 160 pounds; clean shaven and has the appearance of the average ranchman.

A bogus check operator, using the name G. S. RAWLINS and claiming to be a salesman in the employ of Russel & Prewitt Manufacturing Co., is operating in Georgia, issuing checks drawn on a bank member at Newell, W. Va.

He recently swindled a customer of a bank member at Blairsville, Ga., giving what purported to be a salary check of the above-named concern. So far as is known no bank suffered through his operations.

J. W. MCRAE, alias W. J. McRae, whose operations are reported through the JOURNAL-BULLETIN of February, 1913, page 530, and who succeeded in defrauding a Council Bluffs, Iowa, bank in the sum of \$75, has been bulletined by Mr. Samuel Grayson, constable of San Angelo, Texas, as being wanted at that point on a charge of bogus draft in the sum of

\$100. This party passes as an insurance agent and represents himself as owning a farm at some distant point.

His description is as follows: Age, 30 to 35; height, 5 feet 11 inches to 6 feet; weight, 150 to 155 pounds; build, slender; complexion, light; hair, brown; peculiarities, receding forehead and chin, stoop shouldered, long, swinging walk, and gold fillings in upper front teeth.

A cattle buyer using the name E. A. ALLEN has been passing worthless checks in the vicinity of Elk City, Kan. He carries a pass book which shows deposits of nearly \$4,000 in a member bank at Neodesha, Kan., which pass book is reported to be bogus.

This man is described as being about 19 years of age; 5 feet 7 inches tall; dark hair; was dressed in a blue serge suit, blue shirt, and wore a rubber collar.

It has been reported to our detective agents that J. C. CARVER recently forged the name of a depositor of a member bank in Munden, Kan., to a check in the sum of \$15, which check was passed at Republic, Kan.

Carver is described as being about 30 years old; height, 5 feet 6 inches; blue eyes; dark hair; smooth shaven.

A worthless check operator, using the name of PAUL J. HOFFMAN and Paul T. Case, recently operated in Wichita, Kan., at which point he passed several worthless checks on business men, said checks being drawn on a membership bank there. He was reported to have gone south from Wichita.

Hoffman, alias Case, is described as being about 23 years of age; height, 5 feet 8 inches; weight, 135 pounds; build, medium; complexion, light; eyes, blue, and brown hair.

Member banks in southern Kansas and Oklahoma should be on their guard against the operations of the criminal. Hoffman's signature is shown below.



A member bank of Prestonsburg, Ky., suffered a loss through having paid several checks for small amounts to which the signatures of several of their customers had been forged. An investigation is in progress at the present time, with a view of apprehending the parties responsible for these forgeries.

A bank member at Oil City, La., was swindled by C. G. HOWARD by means of a bogus check. He also defrauded several merchants by the same means. Howard is described as being 30 years of age; height, 5 feet 7 or 8 inches; weight, 150 pounds; eyes, gray; complexion, light; smooth shaven; has peculiar twist to his mouth. He is the son of an attorney in Birmingham, Ala., and has been in trouble before.

Bogus checks are being drawn on a bank member at Portland, Me. The checks so far received by the bank were made payable to G. H. BROOKS, signed by Dr. S. A. Brooks, are protectographed and bear what purport to be a certification stamp of the member. Across the signature is written E. A. Noyes. The bank has no official of that name.

A member bank of Baltimore, Md., reports that they have been defrauded by means of a check to which both the signature and endorsement of one of their depositors had been forged. No description of the forger is available at this time.

H. F. ARTHUR, alias John E. Leighton, alias Frank E. Parker, alias Frank E. Baker, alias Edward E. West, mentioned on page 636 of the March, 1914, JOURNAL-BULLETIN, has resumed his operations in eastern Massachusetts and is passing worthless \$15 checks on individuals. So far no bank member has been defrauded through his operations.

Using the name C. ANDERSON, a party succeeded in defrauding a member bank in Salem, Mass., by means of a check to which he had very cleverly forged the name of one of the bank's customers. No description of Anderson is obtainable at this time. A sample of his handwriting is reproduced below.



A very smooth individual recently succeeded in defrauding four member banks in Grand Rapids, Mich., using the name of HARRY R. MUNN. His mode of operation is a very clever one and is as follows:

On May 26, 1914, he opened savings accounts with a cash deposit of \$10 in each of the four banks. On the afternoon of May 28th he appeared at the savings tellers' windows with checks ranging from \$165 to \$180, and asked in each instance to have \$8 in cash and he desired to deposit the balance to his credit, and on the same day he presented to each of the four banks a check for \$98.50, appearing at the paying teller's window and exhibiting his savings account pass book showing that he had sufficient funds to more than cover the amount of the check, and when identification was asked for he presented the savings bank book.

This criminal's operations are reported through the columns of the JOURNAL-BULLETIN of June, 1914, page 828, where his description is given together with specimens of his handwriting. It developed that he had operated under the name of J. D. Allen at Detroit, Mich., as J. D. Anderson at Columbus, Ohio, as Lee McAllister at Albany, N. Y., and at Troy, N. Y., as Harry R. Munn at Grand Rapids, Mich., and on June 4, 1914, as P. J. Collins at Boston, Mass., also on June 20th at St. Paul and Minneapolis as Harry Anderson.

Members should be particularly cautious and on the lookout for this criminal.

The attention of our detective representatives has again been called to the operations of the much wanted swindler and forger whose operations have been chronicled through the columns of the JOURNAL-BULLETIN numerous times, and whose mode of operation, description and specimens of handwriting have been repeatedly shown to such a degree that every bank member, paying teller and cashier should be thoroughly familiar with the mode of operation, description and signature of this swindler.

This criminal has operated under the names C. WOOD, C. Harris, N. Carson, C. West, C. Weston, C. Wade, C. Ward, C. Case, C. Warne, C. Watson, Edward Ashton, C. Adams, C. Charles, C. Warner, C. Carson, W. J. Larson, Lewis Wilfley, C. R. Howard, and just recently at Grand Rapids, Mich., under the name of A. West, where he succeeded in defrauding a member bank.

He has been reported through the columns of the JOURNAL-BULLETIN as follows: February, 1910, page 349; July, 1910, page 16; November, 1910, page 308; February, 1911, page 471; July, 1911, page 38; April, 1912, page 634; April, 1913, page 678; May, 1913, page 765; September, 1913, page 222; November, 1913, page 379 and 382; January, 1914, page 519; February, 1914, page 580, and April, 1914, pages 673 and 674.

Member banks should particularly be on the lookout for this criminal, detaining him until an officer can cause his arrest and the nearest office of

INCLUDING BULLETIN OF THE AMERICAN INSTITUTE OF BANKING

our detective agents notified, should he put in an appearance, as he is wanted all over the country.

JAMES or J. B. FISHLEIGH is wanted by a member bank at St. Paul, Minn., for forgery. Fishleigh is 40 to 45 years of age; 6 feet one or two inches tall; weighs 245 pounds; black hair streaked with gray; small brown eyes; heavy black eyebrows; long black mustache tinged with gray. Claims to have been educated for a lawyer; also claims to be traveling for a cider firm. He has been known to use the names George E. Hess and C. Swartz. Fishleigh was mentioned on page 310 of the November, 1910, JOURNAL-BULLETIN. Below we reproduce a specimen of his handwriting.

James Fishleigh

A member bank at Flat River, Mo., was recently defrauded by one R. P. SMITH, alias H. F. Miller, who has had several checks cashed to which he forged the signature of one J. M. McClain, a customer of the bank. Smith defrauded a non-member bank at Desloge, Mo., in the same manner and also cashed a forged check in Butte, Mont. At the time of his disappearance from Desloge he had on his person a check drawn on a Patton, Mo., bank for \$180, bearing the forged signature of Zach Grimes, and it is presumed he will make an effort to have this check cashed at an early date.

Smith is described as follows: Age, 18 years; height, 5 feet 4 inches; weight, 135 pounds; medium complexion, dark chestnut hair; when last seen wore blue serge suit, blue felt hat, black high shoes. Carries new watch, 15-jewel, case No. 2063134, also wears new signet ring.

JAMES W. WELDON, JR., recently opened an account at a member bank in Kansas City, Mo., and stated that he desired to have his account in a Toledo bank transferred to Kansas City. He succeeded in opening an account, and subsequently checked same before returns were received. The draft proved to be worthless.

Weldon is described as being 35 years of age; height, 5 feet 9 inches; weight, 150 pounds; build medium, complexion light, smooth shaven, neat dresser.

Our Detective Agents are endeavoring at the present time to locate this swindler.

When GORDON WHITE, a former employee of the Antlers Oil Company, Kansas City, Mo., presented a check at a bank member of that city, where he at one time had an account, it was readily cashed. The check was subsequently returned by the bank member at Lexington, Mo., upon whom it was drawn, White having no funds in that institution. The matter has been turned over to our detective agents. White is described as being 30 years of age; 5 feet 8 inches tall; weight, 135 to 150 pounds; medium build; dark complexion; blue eyes and a neat dresser. Specimen of his handwriting is reproduced below.

Gordon White

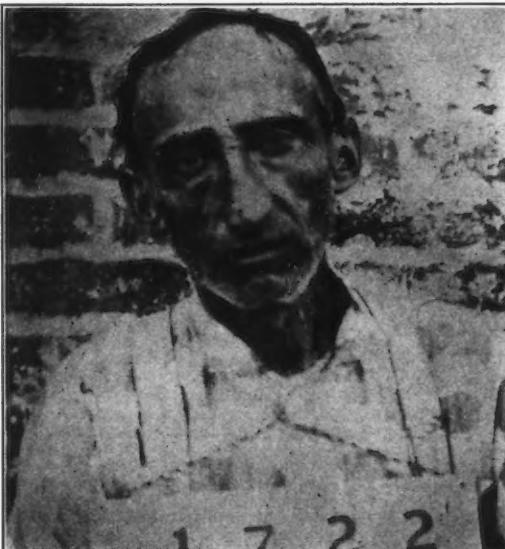
THOMAS RAYMOND, alias Thomas Ryan, has been passing several worthless checks throughout Missouri and Kansas drawn on a non-member bank at Rea, Mo.

Raymond, alias Ryan, is described as being about 35 years of age; height, 5 feet 5 inches; weight, 135

pounds; build medium; hair dark; eyes dark brown; smooth shaven; scar on upper lip.

This man is reported to be an ex-convict from the Kansas State Penitentiary, and now claims to be an organizer of the Yeoman Lodge. Specimen of his handwriting appears below.

Thas Ryan



J. L. KUHN.

In 1912 a man using the names J. L. KUHN and J. L. Cohen operated throughout the small towns of Louisiana, Texas and Arkansas, representing himself as a traveling man for a lumber company at New Orleans. His usual method was to write a letter to himself, enclose a bogus check supposed to have been signed by the lumber company, addressing same to some small town; then upon his arrival there he would get his mail, register himself as a buyer and cash his check. In this manner numerous people were defrauded.

This party has again commenced operations in Tennessee and Mississippi, but is now representing himself as a traveling man for either the Gauss-Langenberg Hat Company, of St. Louis, or M. Cory & Son, Clothing, St. Louis, and besides the two names mentioned above used J. L. Krohn, J. L. Kahn and J. L. Stein. His method is exactly the same and his actions are such as to cause no suspicion. The checks he uses now are drawn on St. Louis banks. All banks should be on the lookout for this criminal, as he is a very smooth operator.

He is described as follows: Age, 50 to 55 years; height, 5 feet 8 inches; weight, about 135 pounds; rather dark complexion; slender build; gray hair and mustache; slightly stooped; wears nose glasses when reading; genteel in appearance; appears to be of Jewish descent.

Member banks are warned against cashing checks made payable to JAMES or CHARLES MARTIN or George H. Sohmers and supposedly signed

by the Order of Railroad Conductors, Frank Hayes or George P. Sohmers, secretary and treasurer. These checks are drawn on a bank member at St. Louis, Mo., and have come to this bank from Chicago and Milwaukee. It has been learned that this party has been soliciting subscriptions in the name of the Order of Railroad Conductors through St. Louis, for the purpose of building a hospital.

This party is described as being 35 to 40 years old; 5 feet 7 inches tall; weighing 135 to 150 pounds, sandy hair and reddish mustache, which drops at the corners; ruddy complexion; stoop-shouldered; rather shabbily dressed; wearing a blue serge coat and black felt hat; had the general appearance of a railroad brakeman.

BOB JAMES is the name used by a criminal who recently operated in Omaha, Neb., and later came to Kansas City, Mo., where he passed several worthless checks on business men at each place.

He was bulletined in Kansas City by the Merchants' Association, and is described as being about 42 years of age; 5 feet 9 inches tall; weight, 155 pounds; complexion ruddy; hair dark; smooth shaven and makes a good appearance. His signature appears below.

*By Bob James
1806 Locust*

We are advised by a member at Englewood, N. J., that one of their customers was recently swindled by a man using the name ELMER T. HILLIARD, the customer having cashed two checks for small amounts, drawn on a New York bank and purporting to be issued by Rees & Hilliard. No description of the operator is available at the present time.

Claiming that he was LOUIS THOMAS, a depositor of a bank member at Bayside, N. Y., a man called at a bank member at Flushing, N. Y., and requested them to cash a check. After being refused the man asked if they would cash it if he had the Bayside bank authorize them to do so by telephone.

He left the bank and going to a nearby telephone, called up the Bayside bank and explained the situation, saying he needed the money to pay for furniture for his new home. The bank, knowing their depositor had recently married, thought they were talking to the right party, and authorized the Flushing bank to cash the check. It later proved to be a forgery.

The forger is described as being 25 years of age; 5 feet 10 inches tall; weighing 160 pounds; dark complexion; clean shaven; wore dark clothes and looked very much like an athlete.

Upon presenting a check at a bank member in New York City, made payable to David Surdut, and bearing the signature of a depositor, a man who represented himself to be Surdut was told he would have to be identified. He left the bank and returned in a few moments with a business card of the depositor upon the back of which was written that the bearer was David Surdut and that the check had been given to him by the depositor that morning. This note purported to be signed by the depositor's brother. He also showed several letters addressed to David Surdut, and upon this identification the teller cashed the check.

It developed that the check had been mailed to the rightful Mr. Surdut and never received by him and that the endorsement on the check was a forgery.

The man who presented the check is described as being about 30 years old; 5 feet 10 inches tall; weighing 170 pounds; dark eyes; dark hair; dark complexion; smooth shaven; neatly dressed in gray suit and stiff straw hat. He was apparently a Jew and spoke good English.

Claiming to be ALBERT DODGE, a party presented a draft issued by a bank member at Lorain, Ohio, on a bank member at Cleveland, Ohio, at a bank member at Akron, Ohio. Payment being refused, the young man left the bank and returned accompanied by a woman known to the teller, and upon her identification the draft was cashed.

It was later discovered that the endorsement on the draft was a forgery and that the bank book of Albert Dodge on the Lorain bank had been stolen and mailed to a fictitious address.

Our detective agents are endeavoring to locate the impostor, who is a foreigner, about 28 years of age, rather short, dark haired and dark complexioned. He spoke good English. We reproduce below a specimen of his handwriting.

Albert Dodge

A party giving his name as JUSTIN W. WELLS, after having been introduced at a member bank at Cincinnati, Ohio, by a depositor and customer of the bank, deposited a \$5,000-check drawn on a member bank at Portland, Ore., and also another check drawn on a member bank at Louisville, Ky., for a smaller amount. After depositing the first check, he drew a check against his account, which the teller paid; and two other checks were made payable to a man and woman, whom Wells said were his brother and sister. The checks, which were deposited and sent through for collection, were found to be bogus.

Our detective agents are making an effort to locate and apprehend this criminal who has also used the name A. J. Stewart and who is described as being 40 years of age; 5 feet 8 inches tall; weighing 190 pounds; heavy build; light complexion; piercing blue eyes; light hair; broad shoulders; square chin; corners of mouth droop. A specimen of his handwriting is reproduced below.

*Frank Kennedy
Justin W. Wells*

The brother, JAMES WELLS, alias James Stewart, is described as follows: Age, 30 years; height, 5 feet 11 inches; weight, 170 pounds; complexion light; hair very light; eyes blue; build medium.

Warrants have been sworn out for both of these men in Cincinnati. The woman has already been apprehended in Detroit.

A. B. HARPER, known as "Bert" Harper, and described as being 53 years old; 5 feet 6 inches tall; weighing 145 pounds; light complexion and sometimes wearing a mustache, and who is a trifle stoop-shouldered and walks with a slight limp, is wanted by a bank member at Garber, Okla.

Harper left Garber about a year ago, taking with him one bay mare, 19 years old, weighing 1,400 pounds; one bright bay mare, 9 years old, weighing 1,325 pounds, and one seal brown stallion, 8 years old, weighing 1,500 pounds, named "Denver," upon which the bank holds a mortgage.

In December, 1912, HARRY HOLDEN defrauded a member bank at Springfield, Ohio, by means of a forged check. Recently this operator victimized a customer of the bank, giving a check for \$25 in payment for a small monument and receiving \$10 cash. A specimen of this man's handwriting appears below.

harry holden

LEO A. SENTIUS, a tailor by trade, recently operated in Oklahoma City, Okla., where he passed several forged checks by which a member bank is the loser. The matter has been turned over to our Detective Agents, who are endeavoring to locate Sentius.

This man is described as being about 26 years of age; 5 feet 6 or 7 inches tall; weight, 150 pounds; hair brown; eyes dark; rosy cheeks.

Specimen of this man's handwriting is shown below.

les sentius

A bank at Carlton, Ore., member of the Oregon Bankers' Association, was defrauded through having paid three checks bearing the forged signature of a depositor which were cashed by merchants for a man using the name GEORGE STEPHENS. The checks, together with several others, were stolen from the checkbook of the depositor during his absence.

The forger undoubtedly has the remainder of the checks in his possession, and members should be on the lookout for him. He is described as follows: Age, 22 to 24 years; height, 5 feet 8 inches; weight, 150 pounds; build medium; hair dark; complexion fair. He was fairly well dressed and had the appearance of a mechanic. A specimen of his handwriting is reproduced below.

Geo. Stephens

On June 15, 1914, a member bank of Portland, Ore., reported that a man using the name of CHARLES KRAEMER opened a savings account at their bank with \$5. A few days later the bank received for collection a savings department withdrawal order for \$20, bearing the signature of Charles Kraemer. This was accompanied by the pass book given Kraemer, showing that he had raised the sum from \$5 to \$500 and in this way had induced a saloon keeper to give him \$20.

Charles Kraemer is described as being 43 years of age; 6 feet tall; weighing 190 pounds; build, medium; complexion, sunburnt; light blonde mustache; hair, light; occupation, miner; residence, Dawson, Alaska. Wore chain of gold nuggets with large charm in design of miner's pan, pick and shovel. A specimen of his handwriting is reproduced below.

charles kraemer

A stranger, claiming he was J. S. WILSON, appeared in a saloon at Wheeler, Ore., and presented a check drawn on a bank member at Tillamook, Ore. The check was deposited by the saloonkeeper with a bank member at Wheeler, Ore., and when presented at the bank at Tillamook, payment was refused on account of forgery. No description of this operator is available at this time.



A. B. COOK.

The above is a photograph of A. B. COOK, alias A. B. Cunningham, alias Ed Bird, a former real estate dealer of Salem, Ore., who defrauded two membership banks and several merchants in Salem, by means of bogus checks. Cook, who is accompanied by his wife, left Salem, Ore., May 29, 1914.

Cook's true name is believed to be A. B. Cunningham, and under that name he was engaged as a life insurance agent in the Stock Exchange Building in Chicago, Ill. He boasted of having been in the secret service business in Chicago and also a reporter on the Chicago Times.

Cook is described as being 35 years of age; 6 feet 1 inch tall; weight, 170 pounds; medium build; eyes blue; hair light and bushy; complexion fair; smooth shaven; slouchy dresser; has long neck; long, large head, which bulges noticeably at forehead; unusually large hands and feet; high cheek bones. A specimen of Cook's handwriting is shown below. The Oregon Bankers' Association is co-operating with this Association in this matter.

ab cook

After having worked one day for a customer of a bank member of this Association and the Oregon Bankers' Association at Baker City, Ore., JAMES THOMPSON received a check in payment for his services. He then drew two checks, forging the name of his employer, which were cashed by the member.

Thompson is described as being about 35 years of age; weight, 135 pounds; hair brown, slightly gray; eyes blue; complexion dark; occupation cook; face pitted by smallpox, drug fiend. The Oregon Bankers' Association is co-operating with this Association in this matter.

The name of J. H. Williams, Manager Folly Farms, Philadelphia, Pa., was forged to three checks drawn on a Jenkinstown, Pa., bank member. The

forgery bought 360 maple trees at Yardley, Pa., with one of the checks, farm machinery with another and with the third he purchased a horse at Morrisville, Pa. The bank honored the first check, but when delivery of the trees was made to the true Mr. Williams, the forgery was discovered. The other two checks were not honored and the forger didn't succeed in obtaining the machinery or the horse.

This forger is described as follows: Age, 50 years; height, 5 feet 8½ or 9 inches; weight, 135 pounds; hair, dark, mixed with gray; wore blue suit, Panama hat, tan shoes.



HARRY CORSCHENHAUSEN.

A member bank of Pittsburgh, Pa., reports having been defrauded through cashing a bogus check, also that a large number of other checks had come through for payment issued by the same person. Investigation by our detective agents developed the fact that one HARRY CORSCHENHAUSEN is the party wanted for these offenses. His photograph, which is reproduced above, has been identified by persons to whom he gave bogus checks.

Corschenhausen is described as follows: Age, 28 years; height, 5 feet 8 inches; weight, 135 pounds; build, slender; eyes, dark; hair, brown; complexion, sallow; smooth shaven.

A bank member of Pittsburgh, Pa., was recently defrauded by having paid two checks which were cashed by merchants for a man who used the name JOE R. SPEAK, and to which the signature of one of the bank's customers had been forged. The forgeries were discovered when a third check was presented for payment.

Speak is described as follows: Age, 25 years; height, 5 feet 10 inches; weight, 170 pounds; build, medium; hair, light; smooth shaven; appearance of a railroader, wore black cap with small plate on visor.

A customer of a bank member at Seattle, Wash., recently returned two cancelled checks to the bank and declared them to be forgeries. They were both drawn in favor of A. MESNER. The matter is being investigated by our detective agents.

Mesner is described as follows: Age, 19 to 20 years; height, 5 feet 6 inches; weight, 160 pounds; build, stout; complexion, dark; hair, dark.

On November 16, 1912, a man claiming to be Theodore E. Roosevelt, then a member of Company A, Hospital Corps, located at Fort D. A. Russell, Wyo., called a bank member at Cheyenne, Wyo., and presented a check which purported to bear the signature of his wife, which the bank cashed.

The wife, who was ill at the time, did not pay much attention to her bank account until February, 1914, when she called at the bank to secure funds,

her husband having deserted the army, leaving her destitute. It was then the forgeries were discovered.

Roosevelt is an assumed name, the man's correct name being ANTON BUSCHEK, and he is described as follows: Age, 39 years; height, 5 feet 5 inches; weight, 156 pounds; complexion, ruddy; eyes, brown; hair, light brown; nativity, Prague, Austria. We reproduce below a specimen of his handwriting.

*Theodore E. Roosevelt
Co. "A" Hospital Corps Ft. Russell.*

GENERAL.

The case against GEORGE E. ADAMS, arrested April 14, 1914, in connection with a swindle perpetrated against a bank member at Genoa, Ill., has been dropped by the prosecution. However, he is being held on a charge of swindling a bank at Lombard, Ill.

A man giving the name CONNELLEY, together with another man whose name has not been learned, recently entered a non-member bank at Osage City, Okla., and at the point of revolvers secured \$1,500 from the cashier of the bank. Connelley was captured by a posse, but his companion, who had the money, escaped.

A bank member at Scranton, Pa., took a note made out by GEORGE W. DEWEY of that city and bearing the endorsement of his father-in-law. It later developed that the endorsement was a forgery, and Dewey was taken into custody on June 24, 1914, at Scranton.

W. J. HARTMAN was arrested in Kansas City, Mo., by City Detective Sanderson on June 15th on a charge of forgery, having passed a worthless check drawn on a member bank in Kansas City, Mo., at a saloon in that place. Hartman claims to have come to Kansas City from Hamilton County, Iowa.

He is about 44 years of age; 5 feet 8 inches tall; weight, 165 pounds; build, medium; complexion, dark; eyes, blue; hair, dark mixed with gray; smooth shaven.

It is also reported that this man is wanted in St. Joseph, Mo., on a similar charge. He is being held for trial. Below is a specimen of this man's handwriting.

W. J. Hartman

FRANK M. HENING, of whom mention is made in the JOURNAL-BULLETIN for February, 1914, page 585, and who was arrested in New York City and later returned to Schaumburg, Ill., on a charge of defrauding a non-member bank to the extent of \$20,000, has been held by the court not guilty of forgery or embezzlement, in view of the fact that the bank mentioned was not a corporation, but a partnership affair in which young Hening, who acted as Assistant Cashier, held stock to the amount of \$1,000, and although he had admitted and confessed to having speculated and taken the bank's funds, the Court ruled that there was no law violated in one partner

taking the funds of the partnership concern, and consequently Hening has been released.

The case against TOM and WILLIAM MCKELLOP and J. T. MARTIN at Holdenville, Okla., was postponed until the November, 1914, term of court.

In error we published on page 832 of the June, 1914, JOURNAL-BULLETIN, that MARK McNEW and FRANK MATHEWS were each sentenced to serve two years in the Georgia State Penitentiary. Both these men received a sentence of ten years.

J. F. MARTIN recently operated in Wichita, Kan., at which point he deposited a worthless check in the sum of \$1,200 with a member bank at that point. The check was accepted for collection, however. Martin, after leaving the bank, passed several worthless checks drawn on this bank at different business houses in Wichita, subsequently leaving with a 17-year-old girl. It has been reported that this man is now in jail at Hutchinson, Kan., on a similar charge.

C. J. PARISH, alias M. D. Carmichael, recently swindled a bank member at Fernandina, Fla., by means of a bogus draft. The man had become familiar with several people in the city, including the teller of the bank.

After cashing the draft, the teller became suspicious, looked Parish up and secured all but \$10 of the amount secured on the draft. The bank then wired the New York bank upon which the draft was drawn and received word that it was bogus.

The young man had left for Brunswick, Ga., and the bank got into communication with the steamship agents and had him arrested. He was returned to Fernandina, Fla., and lodged in jail there.

Parish is an Englishman, about 25 years of age; 5 feet 7 inches tall and wears a black mustache.



FRANK E. SAYLES.

FRANK E. SAYLES, alias A. J. Flynn, alias D. E. Sayles, alias W. E. Wallace, alias C. E. Smith, alias W. P. Boyd, etc., whose photograph is shown above, and whose operations were reported in the JOURNAL-BULLETIN for July, 1912, page 34; February, 1914, page 582; May, 1914, page 769, and June, 1914, page 830, was arrested on June 11, 1914, at Syracuse, N. Y. When the Syracuse authorities get through with him he will be turned over to the Boston, Mass., authorities. He is also wanted in Kalama-zoo, Mich., Youngstown, Ohio, Baltimore, Md., Bay City, Mich., and Rochester, N. Y.

ARRESTED.

FRED ALBRIGHT, whose operations were reported on page 826 of the June, 1914, JOURNAL-BULLETIN, was arrested in the latter part of May,

1914, at Grand Rapids, S. D. He will be returned to Marshalltown, Ia. The Iowa Bankers' Association is co-operating with this Association in this matter.

EARL W. BARNES, alias C. J. Hadley, alias W. H. Howard, alias W. H. French, alias W. H. Stewart, alias Baldwin, alias Davis, whose photograph is shown on page 689 of the JOURNAL-BULLETIN for May, 1912, under the name of W. T. Howard, was arrested at Nantasket, Mass., on June 12, 1914.



HARRY A. CAMPBELL.

HARRY A. CAMPBELL, who has defrauded a number of banks throughout the country and who is reported through the columns of the JOURNAL-BULLETIN for September, 1913, page 218, and November, 1913, page 382, was arrested at Seymour, Ind., in May, 1913.

Any member defrauded by this criminal, whose photograph is reproduced above, should lodge a detainer warrant with the Superintendent of the Indiana Reformatory.

He also used the names Harry A. Mason, Harry W. Stevens, Harry A. Ebbert, H. W. Morgan, Charles W. Morgan, Fred S. Smith, Fred S. Love, Harry A. Boyd, Harry A. Morgan and A. W. Stewart. He is described as being 27 years of age; 5 feet 8 1/2 inches in height; weight, 146 pounds; complexion, medium; hair, light chestnut; eyes, slate gray.

J. A. CLARK, alias W. A. Cunningham, alias F. Williams, whose operations were reported on page 771 of the May, 1914, JOURNAL-BULLETIN, was arrested in the latter part of May, 1914, at Cheyenne, Wyo., through the vigilance of a bank member at Cheyenne, Wyo. He was returned to Alliance, Neb., where he was wanted for swindling a bank member by means of bogus checks.

HARRY DAVIS, alias J. A. Johnson, alias Ralph H. Evans, was arrested in Kansas City, Mo., by a representative of our detective agents, assisted by the local police, on May 30, 1914, for swindling a member bank at Rosedale, Kan., by means of forged checks, he having forged the name of a depositor of the bank by whom Davis was employed.

WILBUR LEE DELAHOUSSAYE, alias James W. Burns, alias Joseph W. Burns, alias W. L. Delahoussaye, whose description and method of operation were published in the June, 1914, JOURNAL-BULLETIN, page 831, was arrested June 19, 1914, by the postal authorities at Philadelphia, Pa., after having attempted to defraud a hotel in that city. Delahous-

saye is an ex-convict of the Louisiana State Penitentiary, having been sentenced to that institution in 1912 for seven years on a charge of forgery. He was pardoned in December, 1913, or January, 1914. He has been committed to the Moyamensing Prison at Philadelphia, awaiting the action of the September Grand Jury.

A bank member at Charleston, Mo., advised that they had cashed a check for TINY FUTRELL, which they later discovered had been raised to a larger amount than originally drawn for. The matter was brought to the attention of our detective agents and Futrell was arrested on June 15, 1914, by the Charleston, Mo., deputy sheriff in Trigg Co., Ky., near the Cumberland River. He was committed to the county jail awaiting trial.

Futrell is described as follows: Age, 20 to 25 years; height, 5 feet 8 or 10 inches; weight, 140 to 145 pounds; slender build; complexion, dark; hair, dark; eyes, dark.

GEORGE W. GLASGOW, mentioned on page 445 of the December, 1913, and page 695 of the April, 1914, JOURNAL-BULLETIN, was arrested at Macon, Mo., on May 28, 1914, and returned to Clayton, Mo., for trial.

A young man entered the bank of a member in New York City and presented a check made payable to bearer and bearing the signature of one of the bank's depositors. The teller was about to hand out the money, when it dawned on him that the writing on the check was similar to that on a check which had been raised the previous week. He questioned the man and was about to telephone the depositor when the man ran out of the bank. He was caught in the street and brought back to the bank.

Our detective agents were notified, and with the assistance of a police officer the man was placed under arrest. At the police station he gave his name as FRANK HEARN.

He is described as follows: Age, 25 years; height, 5 feet 9 inches; weight, 135 pounds; build, slender; complexion, dark; eyes, dark; smooth shaven; nervous; speaks broken English. Wore black suit, stiff straw hat.

A bank member of Fort Smith, Ark., cashed a check drawn on a bank member at Unionville, Mo., payable to the order of S. H. Smith. It later developed that the endorsement of S. H. Smith on the check was a forgery and that the check had been mailed to Mr. Smith and never received by him.

Our detective agents took up the matter and ascertained that ROBERT W. HOWARD, nephew of the man whose name has been forged, was responsible. He was arrested by a representative of our detective agents, assisted by the police, at Muskogee, Okla., on June 16, 1914. He has been returned to Fort Smith, Ark., for trial.

The Arkansas Bankers' Association co-operated with this Association in apprehending this man.

A member bank of Grundy Center, Iowa, reported ROWLAND JOHNSON as having defrauded them by a bogus check, to Mr. P. W. Hall, Secretary of the Iowa Bankers' Association at Des Moines, Iowa. Mr. Hall immediately notified our detective representative, who located Johnson at Warren, Minn. He reported the locating of Johnson to Mr. Hall of the Iowa Bankers' Association, who in turn advised the North Dakota Bankers' Association, as it developed that Johnson had also defrauded a member of their Association, who later caused his arrest.

The Iowa Bankers' Association and the North Dakota Bankers' Association were interested with this Association in the apprehension of this criminal.

I. M. KOHEN, alias Cohen, alias Morris Kopler, attempted to defraud a member bank at Bisbee, Ariz., on June 9, 1914, by means of a forged check which

he presented to the teller's window calling for the sum of \$75 and to which the signature of L. Bluestein was forged. Check in question was drawn on the Exchange Bank of Savannah, Ga.

The cashier of the bank in question, being in doubt regarding the genuineness of this check, questioned Kohen, alias Kopler, and as he was unable to give a satisfactory account of how he came into possession of this check and the like, he was arrested. Kohen later confessed to ex-special agent John Foster of the Arizona Bankers' Association that the check was a forgery and that he had forged the signature of L. Bluestein thereto.

A young man presented a check made payable to bearer at a bank member in New York City, which bore the forged signature of a depositor. When questioned by the teller he endeavored to leave the bank. He was immediately arrested.

This man, who gave his name as WILLIAM LLEWELLYN, said the check had been given to him by another man, named JAMES FORD, to cash. Ford was later taken into custody.

When the two men were arraigned for a hearing they pleaded not guilty. The magistrate held Ford under \$5,000 bail and Llewellyn under \$2,500 bail for the action of the Grand Jury.

RUTH MCKINLEY, a girl seventeen years of age, was arrested in Williamsport, Pa., on June 12, 1914, on information furnished by our detective agents. After close questioning she finally admitted having forged the names of two prominent citizens of Williamsport to notes which she had discounted at three member banks in that city. She was held under bail for the September term of court. Her mother, MRS. MCKINLEY, was also arrested in connection with this matter.

NICOLO POTO was arrested in Boston, Mass., on May 16, 1914, on information furnished by our detective agents, he having defrauded a member bank in Somerville, Mass., by means of a check to which he had forged the name of one of the bank's customers.

Poto is described as follows: Age, 31 years; height, 5 feet 9 inches; weight, 140 pounds; build, slight; hair, dark; eyes, brown; nativity Italian; smooth shaven.

When the depositor of a bank member at Kansas City, Mo., had his pass book balanced, he discovered that seven checks which had been paid by the bank bore his forged signature. Investigation by our detective agents developed the fact that WILL REED, alias Stills, had committed the forgeries.

Reed was arrested in Kansas City, Mo., by a representative of our detective agents on June 19, 1914, and held in \$1,000 bail.

A young man named GEORGE D. SCANLON was arrested in New York City on June 10, 1914, on information furnished by our detective agents. Scanlon admitted to our detective representative that he had stolen a check of a manufacturing concern where he had been employed, to which he then forged the endorsement of the payee and also the endorsement of another young man employed by the firm, on whom he endeavored to cast suspicion. Scanlon succeeded in cashing the check at a member bank in New York City. Our detective agents were called into the case, with the result that they secured a confession from Scanlon clearing the other young man of all suspicion.

A young man, representing himself as John Williams, recently cashed three forged checks at a bank member at New Orleans, La. The teller who paid the checks described the man as follows: Age, 17 years; height, 5 feet 3 inches; weight, 155 pounds; complexion, dark; hair, dark brown.

On June 20, 1914, the young man again appeared

at the bank and endeavored to cash another check. The bank communicated with our detective agents, who immediately placed him under arrest. He was identified as MEYER SMITH.

FRANK VERDI and a woman named ROSE HARRIS were arrested in New York, N. Y., on April 6, 1914, on information furnished by our detective agents, for having defrauded a member bank in that city by means of a forged check which was sent to the bank with a messenger boy.

KATE WELLS, alias Mrs. A. J. Stewart, alias Mrs. Phoebe Yancey, alias Mrs. Frank B. Kennedy, etc., accomplice of Justin W. Wells, mention of whom is made elsewhere in this issue, was arrested in Detroit, Mich., on June 10, 1914, and has been returned to Cincinnati, Ohio, for prosecution.

A. L. WHEELER, alias O. L. Patterson, alias J. W. Morgan, was arrested at Luther, La., on June 27, 1914, at the instigation of our detective agents and confessed to having defrauded a member bank in Biloxi, Miss., as well as a non-member bank in Greenville, Fla.

This case was reported to the New Orleans office of our detective agents on June 24, 1914, by the Biloxi, Miss., member.

REMOVED.

ALVIE ADAMS, alias J. A. Taylor, whose arrest was reported in JOURNAL-BULLETIN for June, 1914, page 833, was sentenced by Judge Porterfield, Kansas City, Mo., to an indeterminate period in the State Reformatory at Boonville, Mo.

EMMETT W. ADAMS, report of whose arrest appeared on page 832 of the June, 1914, JOURNAL-BULLETIN, on May 22, 1914, was placed on probation for six months.

The case against LEVI W. BOWMAN, at Tulsa, Okla., was dismissed. JOURNAL-BULLETIN, March, 1914, page 640, and April, 1914, page 695.

WILLIAM H. CALDER, whose arrest was reported on page 833 of the June, 1914, JOURNAL-BULLETIN, was sentenced on June 12, 1914, to Elmira Reformatory, Elmira, N. Y. See also May, 1914, JOURNAL-BULLETIN, page 767.

HENRY A. CAMPBELL, whose arrest is reported elsewhere in this issue, was sentenced on May 26, 1914, to serve an indeterminate term of from one to eight years in the Indiana Reformatory. JOURNAL-BULLETIN, September, 1913, page 218, and November, 1913, page 382.

J. A. CLARK, alias W. A. Cunningham, etc., pleaded guilty at Alliance, Neb., and was sentenced to serve from one to twenty years in the Nebraska Penitentiary. His arrest is reported elsewhere in this issue.

T. J. COLLINS, alias T. Rogers, whose arrest was published on page 255 of the October, 1912, JOURNAL-BULLETIN, has been released at Walnut Ridge, Ark., as being insane.

WILLIAM COOPER, alias William White, a negro, mentioned on page 833 of the June, 1914, JOURNAL-BULLETIN, has been released at Alton, Ill., the prosecuting attorney refusing to do anything further in the case, he claiming that Cooper's confinement in the jail was enough punishment. It has been learned that Cooper has served a term in the Illinois State Penitentiary at Joliet, having been

convicted of working the confidence game, from which institution he was discharged January 7, 1914.

HARRY DAVIS, alias J. A. Johnson, etc., a report of whose arrest is published in this issue, was sentenced to serve five years in the Missouri State Penitentiary.

One year in the Huntingdon, Pa., Reformatory was the sentence imposed upon D. DYLYN, whose arrest was reported on page 771 of the May, 1914, JOURNAL-BULLETIN.

E. M. FULLER, a report of whose arrest was published in the June, 1914, JOURNAL-BULLETIN, page 834, was sentenced to the penitentiary for an indeterminate term of two to three years.

On June 1, 1914, GEORGE W. GLASGOW, whose arrest is reported elsewhere in this issue of the JOURNAL-BULLETIN, entered a plea of guilty to a charge of passing a worthless check, was sentenced to two years in the Missouri State Penitentiary at Jefferson City, and was later paroled by the court to Judge Shelton at Macon, Mo. See also JOURNAL-BULLETIN, December, 1913, page 445, and April, 1914, page 695.

JOHN GRABOVITZ, alias John O'Dell, of whom mention is made in the JOURNAL-BULLETIN of June, 1914, page 834, has been sentenced to the House of Correction, Chicago, Ill., for a period of eight months.

RAY GRUBBE, whose arrest was reported on page 224 of the September, 1913, JOURNAL-BULLETIN, was sentenced to the penitentiary for a period of fifteen years in October, 1913, and immediately paroled.

ANDY LEWIS was given an indeterminate sentence of from one to two years in the Boyd County Circuit Court at Catlettsburg, Ky., on or about April 8, 1914, and another indictment continued against him. JOURNAL-BULLETIN, September, 1913, page 224.

WALTER LEWIS, alias John Daniels, alias Willie Allen, alias John Daly, alias O'Neil, alias Malone, mentioned on page 772 of the JOURNAL-BULLETIN for May, 1914, was sentenced to Elmira Reformatory, Elmira, N. Y., on May 19, 1914.

EUGENE N. McCALLUM, whose arrest was reported on page 772 of the May, 1914, JOURNAL-BULLETIN, was sentenced to serve a term of fifteen years in the Iowa State Prison at Fort Madison, Iowa. The Iowa Bankers' Association co-operated with this Association in the prosecution of this case.

L. G. MARTIN, whose arrest is reported on page 834 of the June, 1914, JOURNAL-BULLETIN, pleaded guilty to forgery in the second degree in St. Paul, Minn., on May 25th, and was sentenced to not more than ten years in the State Penitentiary. See also JOURNAL-BULLETIN, June, 1913, page 836.

The case of JAMES PANOS, arrested on a charge of defrauding a bank member at Willits, Cal., has been dismissed. JOURNAL-BULLETIN, June, 1913, page 842.

NICOLO POTO, whose arrest is reported elsewhere in this issue, was sentenced on June 8, 1914, to serve one year in the House of Correction, East Cambridge, Mass.

On March 13, 1914, HARRY E. RICHNER, whose arrest was published on page 642 of the March, 1914,

JOURNAL-BULLETIN, was sentenced to serve an indeterminate term at the Elmira Reformatory.

FRED B. ROBERTS, an account of whose arrest was published in the June, 1914, JOURNAL-BULLETIN, page 835, pleaded guilty to three charges of forgery, and was sentenced to serve eleven months in the county jail at Montesano, Wash.

MEYER SMITH, alias John Williams, whose arrest is reported elsewhere in this issue, was released in custody of his father.

The case of HARRY STONE, mention of whose arrest was made on page 456 of the January, 1913, JOURNAL-BULLETIN, was not presented to the Grand Jury.

FRANK VERDI, mentioned elsewhere in this issue as having been arrested on April 6, 1914, with Rose

Harris for forgery committed against a member bank in New York City, was sentenced on June 23, 1914, to serve from 2½ to 5 years in the New York State Prison. ROSE HARRIS, the accomplice in this case, was on June 23, 1914, sent to a women's Protectory on a suspended sentence.

HARRY WALLACE, mentioned on page 642 of the JOURNAL-BULLETIN for March, 1914, as having defrauded a member bank in Swedesboro, N. J., has been sentenced to serve one year in the New Jersey State Penitentiary at Trenton, N. J.

The case against HAROLD WALTON, mentioned in the JOURNAL-BULLETIN for March, 1913, page 600; May, 1913, pages 768 and 769; July, 1913, page 45, and whose arrest was reported on page 640 of the March, 1914, issue, was nolle prossed on March 12, 1914, on account of lack of witnesses from New York City.

AWAITING TRIAL, EXTRADITION OR SENTENCE, JULY 1, 1914.

ALLEGED FORGERS, ETC.

Adams, George E., April 14, 1914, arrested; swindle Genoa, Ill.
 Albright, Fred, May, 1914; arrested; forgery Marshalltown, Iowa.
 Avery, Tracy G., February, 1914, arrested; swindle Richmond, Va.
 Barnes, Earl W., June 12, 1914, arrested; swindle Boston, Mass.
 Bassett, Frank A., January 10, 1914, arrested; forgery Columbus, Ohio.
 Bazzell, Charles, February, 1914, arrested; swindle Pryor, Okla.
 Beemer, L. W., April 15, 1914, arrested; swindle Ypsilanti, Mich.
 Bush, J. A., May 29, 1913, arrested; forgery Wenatchee, Wash.
 Campbell, J. T., May 4, 1914, arrested; swindle Macon, Mo.
 Cantrell, H. R., May 12, 1914, arrested; swindle Claremore, Okla.
 Cantrell, T. M., March 16, 1914, arrested; swindle Claremore, Okla.
 Cooper, —, May, 1913, arrested; forgery New York City.
 Cooper, C. S., March 7, 1914, arrested; swindle Cordell, Okla.
 Curtis, Edwin A., December, 1913, arrested; forgery Stryker, Ohio.
 Davidson, C., January 31, 1914, arrested; forgery Mocksville, N. C.
 DeForrest, John, March 1, 1914, arrested; forgery Owego, N. Y.
 Delahoussaye, Wilbur Lee, June 19, 1914, arrested; swindle Cheyenne, Wyo.
 Farlow, A. P., April 1, 1914, arrested; forgery Columbia, S. C.
 Fisher, William H., January 15, 1914, arrested; forgery New Smyrna, Fla.
 Ford, James, June 13, 1914, arrested; forgery New York, N. Y.
 Fowler, Frank W., May 6, 1914, arrested; swindle Syracuse, N. Y.
 Fredericks, Earl, December 29, 1913, arrested; forgery Dayton, Ohio.
 Futrell, Tiny, June 15, 1914, arrested; forgery Charleston, Mo.
 Gray, S. H., November 12, 1910, arrested; forgery Athens, Tenn.
 Hamilton, W. S., January 29, 1914, arrested; swindle Council Bluffs, Iowa.
 Hart, Max M., May 6, 1914, arrested; swindle Syracuse, N. Y.
 Hearn, Frank, June 16, 1914, arrested; forgery New York, N. Y.
 Heasley, Margaret, May 18, 1914, arrested; forgery Pitcairn, Pa.

Hewitt, W. A., October 16, 1913, arrested; theft Jackson, Miss.

Himmel, H. M., May 16, 1914, arrested; forgery Webster City, Iowa.

Himmel, J. E., May 16, 1914, arrested; forgery Webster City, Iowa.

Howard, Robert W., June 16, 1914, arrested; forgery Fort Smith, Ark.

Huber, C. Jack, February, 1914, arrested; forgery Houston, Tex.

Imamura, Frank B., May 13, 1914, arrested; forgery San Francisco, Cal.

Johnson, Rowland, June 12, 1914, arrested; swindle Grundy Center, Iowa.

Jones, J. R., January, 1914, arrested; forgery Lincoln, N. C.

Kelly, Robert M., June 8, 1913, arrested; swindle Bishopville, S. C.

Knox, J. R., April 14, 1914, arrested; swindle Frederick, Okla.

Kohen, I. M., June 9, 1914, arrested; forgery Bisbee, Ariz.

Kreleberg, Harry, February, 1914, arrested; forgery New York City.

Lasky, Edward, April 27, 1914, arrested; forgery Schenectady, N. Y.

Lively, William, May 8, 1914, arrested; forgery Chicago, Ill.

Llewellyn, William, June 13, 1914, arrested; forgery New York, N. Y.

McAllister, T. V., May 22, 1914, arrested; forgery Rome, Ga.

McKellop, Tom, March 20, 1914, arrested; swindle Holdenville, Okla.

McKellop, William, March 20, 1914, arrested; swindle Holdenville, Okla.

McKibban, Milo, April 11, 1914, arrested; forgery Des Moines, Iowa.

McKinley, Mrs., June 12, 1914, arrested; forgery Williamsport, Pa.

McKinley, Ruth, June 12, 1914, arrested; forgery Williamsport, Pa.

McKinney, Maynard, March 10, 1914, arrested; forgery Idabel, Okla.

Martin, J. T., March 20, 1914, arrested; swindle Holdenville, Okla.

Mitchell, Ernest C., April 20, 1914, arrested; forgery Chicago, Ill.

Moon, Marshall, March 31, 1914, arrested; forgery Talladega, Ala.

Moorehead, George W., February 4, 1914, arrested; forgery Tulsa, Okla.

Morris, Harry J., January 16, 1914, arrested; attempted swindle Kansas City, Mo.

Reed, Will, June 19, 1914, arrested; forgery Kansas City, Mo.

Richason, M., January 1, 1913, arrested; swindle Kansas City, Mo.

INCLUDING BULLETIN OF THE AMERICAN INSTITUTE OF BANKING

Rogers, C. R., August, 1912, arrested; forgery Cordele, Ga.
 Rowland, William, May, 1914, arrested; forgery Hartman, Ark.
 Scanlon, George D., June 10, 1914, arrested; forgery New York, N. Y.
 Scherberg, C. W., February, 1913, arrested; swindle Grenada, Miss.
 Schmidt, Adolph, May 14, 1914, arrested; forgery Chicago, Ill.
 Smith, J. T., February, 1914, arrested; swindle Purcell, Okla.
 Smithson, H. H., April 18, 1914, arrested; forgery Perry, Okla.
 Spencer, H. E., January, 1914, arrested; forgery San Francisco, Cal.
 Stevens, E. M., March 10, 1914, arrested; swindle Millerton, Pa.
 Stone, George, December, 1913, arrested; forgery Lindsay, Cal.
 Sturgis, R. E., July 3, 1913, arrested; swindle Jennings, La.
 Sullivan, Charles, September 7, 1913, arrested; swindle Munfordville, Ky.
 Sutherland, Kate, April 18, 1914, arrested; forgery Los Angeles, Cal.
 Walp, H. S., May 18, 1914, arrested; forgery Raymond, Wash.
 Wells, Kate, June 10, 1914, arrested; swindle Cincinnati, Ohio.
 Wheeler, A. L., June 27, 1914, arrested; forgery Biloxi, Miss.

Winters, Bert, December 29, 1913, arrested; forgery Dayton, Ohio.
 Wise, Tessie, January 7, 1914, arrested; forgery San Francisco, Cal.
 Woolf, Beit, May, 1913, arrested; forgery New York City.
 Work, Andrew S., May 6, 1914, arrested; swindle Syracuse, N. Y.
 Wupperman, Adolph E., May 6, 1914, arrested; swindle Syracuse, N. Y.

BURGLARS AND HOLD-UP ROBBERS.

Alachoff, Molho, April 16, 1914, arrested; hold-up Elma, Wash.
 Arsoff, Sam, April, 1913, arrested; hold-up Elma, Wash.
 Dobreff, Murzaback, April 15, 1914, arrested; hold-up Elma, Wash.
 Dropp, B. W., February, 1914, arrested; attempted hold-up Tacoma, Wash.
 Hodoff, Irsamag, April 15, 1914, arrested; hold-up Elma, Wash.
 Karslake, A., May 16, 1914, re-arrested; burglary Bastrop, La.
 Kyriel, Vigof, April 15, 1914, arrested; hold-up Elma, Wash.
 Malsegoff, Yacop, April 15, 1914, arrested; hold-up Elma, Wash.
 Zeebeck, Mike, April, 1913, arrested; hold-up Elma, Wash.

STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.

AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.

From September 1, 1913, to June 30, 1914.

New York, N. Y., July 1, 1914.

Persons arrested, discharged, convicted, sentenced, awaiting trial, etc.

	Awaiting Trial, etc. September 1, 1913.	Arrested Since September, 1913.	Arrests in May, 1914.	Total.	Convicted.	Discharged or Acquitted.	Escaped or Fugitive.	Insane or Died.	Awaiting Trial.
Forgers.....	130	218	24	247	217	65	9	3	78
Burglars.....	12	11	..	11	15	5	1	1	1
Hold-up robbers.....	1	10	..	10	3	..	..	..	8
	143	239	24	268	235	70	10	4	87



AMERICAN INSTITUTE OF BANKING BULLETIN

Contributions for this Department must be received by the Educational Director of the Institute not later than the 20th of the month preceding publication.

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THE INSTITUTE AND ITS WORK.

THE American Institute of Banking Section of the American Bankers Association is devoted to the education of bankers in banking and the establishment and maintenance of a recognized standard of education by means of official examinations and the issuance of certificates of graduation. To qualify students for official examinations for Institute certificates, which are termed final examinations, the Institute provides a standard course of study in the form of serial lesson pamphlets and collateral exercises. No additional text-book literature is required. The course of study thus provided covers the theory and practice of banking and such principles of law and economics as pertain to the banking business, and requires at least one hundred hours of class or correspondence work under approved instructors. In suitable cities bank employees are organized in Chapters for educational work in accordance with the class method of instruction. Students outside of city Chapters are associated in the Correspondence Chapter and provided with instruction by mail. Chapter organization and education are thus made uniform and universal.

PART I.—BANKING.—The first part of the course thus adapted alike to Chapter classes and correspondence students considers the subjects of "Wealth and Banking," "Bank Accounting," "Loans and Investments," "Clearing Houses and Trust and Savings Institutions," and a final examination reviewing the foregoing lessons in banking. In Chapter Class Work the text-literature and collateral exercises contained in each of the foregoing pamphlets are designed to occupy at least six lessons of two hours each. Some of such lesson pamphlets may require less, and some more, than the time severally prescribed for class work, but average time specified must be substantially maintained. In Correspondence Instruction each pamphlet constitutes a single lesson, which average students should complete in about two months.

PART II.—LAW.—The second part of the course considers commercial law in general and banking law in particular, with special reference to negotiable instruments. The lesson pamphlets pertaining to law cover the subjects of "Laws of Contracts," "Agency and Associations," "Sales and Bailments," "Negotiable Instruments," and a final examination reviewing the foregoing lessons in law. In Chapter Class Work the text-literature and collateral exercises contained in each of the foregoing pamphlets are designed to occupy at least six sessions of two hours each. Some of such lesson pamphlets may require less, and some more, than the time severally prescribed for class work, but average time specified must be substantially maintained. In Correspondence Instruction each pamphlet constitutes a single lesson, which average students should complete in about two months.

DESCRIPTIVE CIRCULAR.—Send for circular containing specimen pages of Institute Lesson Pamphlets and describing methods of instruction.

AMERICAN INSTITUTE OF BANKING

5 NASSAU STREET

NEW YORK CITY

AMORTIZATION OF BONDS.

Comparison of Investment Values and Market Values in Computing the Surplus of Savings Banks—Institute Men Discuss the Subject at a Meeting of the Massachusetts Savings Bank Treasurers' Club.

TWO good Institute men, Messrs. John Harsen Rhoades and Walter E. Hallett, recently discussed the subject of bond amortization before the Treasurers' Club of the Savings Banks of Massachusetts in a manner that merits national publicity. Their addresses were as follows:

Address of John Harsen Rhoades.

I doubt if any bit of legislation was ever enacted that has led to more confusion in savings bank quarters than the so-called amortization law passed by the New York State Legislature in 1908. It has given rise to many warm disputes in our Association and more than once has threatened a serious break.

The honest purpose of those who supported the measure, and who really understood the theory of amortization, was to provide a correct method or basis for determining earnings, a method that involved the gradual amortization or extinction of premiums and discounts by carrying forward periodically on the books, bonds on hand at "investment value" or "present cost," terms which I will explain later. But unfortunately, partly as a result of undue haste and partly through a misconception of the vital importance and purpose of market values, the old statute requiring our savings institutions to report to the Department of Banks their actual condition and true surplus, with bond purchases appraised, as all assets must be in such a statement, at market or liquidating values, was abrogated. And when I say "true surplus," I mean of course as nearly true as is possible to ascertain in the case of a going concern, for it is only through liquidation, not partial but complete, that one can arrive at an exact surplus or deficit. In this abrogation, with its discard of market values, in my opinion largely lay the cause for so much confusion. It is only fair to add that after the savings bank law requiring reports to the Department upon market values had been repealed, the Superintendent to his credit exercised his prerogative under the general banking act to demand them. His action, however, did not prevent the publication of special statements of assets and liabilities for general distribution, with bond assets appraised, in some instances at "investment value," in some at par value, in some at market value and occasionally at all three.

It is essential before proceeding further to have clearly in mind the distinction between a statement of assets and liabilities, with assets appraised, including bond investments, at market value, the purpose of which is to show to the best of our knowledge the true surplus or current excess in assets over liabilities, and the bookkeeping operation of carrying forward, or, as some would say, the appraising of bond investments at "investment value" or "present cost," the purpose of which is to learn true earnings.

With the recent revision of the savings bank law, the mandatory report to the Department with assets appraised at market values is reinstated, and these values are henceforth to be furnished by the Department. Unfortunately there still exists considerable ignorance and misunderstanding, a confusion of thought detrimental to the best interests of depositors. It is no exaggeration to say that 90 per cent. of our savings bank trustees are not merely ignorant of the meaning of the terms, "investment value," "present cost" and the like, but because of this ignorance belittle the essential bearing of these factors upon the fundamentals of savings bank management. We can almost hear our opponents say, Well, what of it! It is the duty of the president to know such things. Admitting for the sake of the argument that the trustee is exempt from such duty, how is a trustee to know that the president knows unless he himself is posted? Directors need not always direct, but they should at least know how.

By "present cost," the term now used in the law, or "investment value," the old term, or "income cost," perhaps a better term, is meant the income basis or yield upon which a bond has been purchased, or to be more explicit, the price that a bond must have at a given period to return the same income yield as when purchased. This price may be considerably above or below the market. To illustrate: At the time of purchase the cost of a 5 per cent. bond, having fifty years' life, bought to yield 4 per cent. net on the moneys invested, would be \$121.55 or \$1,215.50. The price can be learned from any book of "Bond Values." The "present cost" ten years later would be \$1,198.70, for the price would have dropped to 119.87, as the bond would then have only forty years' life, and a 4 per cent. basis—the income yield when purchased—for a 5 per cent. bond having forty years to run is 119.87. As premium bonds approach maturity the premium must of necessity gradually disappear.

The "present cost" of bonds purchased at a discount can be determined in like manner. At the time of purchase the cost of a 3 per cent. bond, having fifty years' life, bought on a 4 per cent. basis, would be \$784.50, since a 4 per cent. basis for a 3 per cent. bond, having fifty years to run, is 78.45. The "present cost" ten years later would still be a 4 per cent. income basis, but the price would have advanced to 80.13. It is manifest in the case of a premium bond, that if one pays \$1,215.50 for a \$1,000 bond, bearing 5 per cent. interest, he receives but 5 per cent. per annum on the par value, namely, \$50.00, but insomuch as he has invested \$215.50 in addition, his earnings on the total sum invested must obviously be less than 5 per cent. In the case of the discount bond above mentioned, if one pays \$784.50 for a \$1,000 bond bearing 3 per cent. interest, he receives 3 per cent. on the par value, viz., \$30.00 per annum, but insomuch as he has invested but \$784.50 or \$215.50 less, his earnings on the actual sum invested are necessarily more than 3 per cent. Through the process of carrying forward bonds at "present cost" every six months, as shown in the following tables, it is obvious that premiums and discounts are gradually eliminated and true earnings deduced.

TABLE 1.

A 5 per cent. bond, with 5 years to run, purchased at a premium January 1, 1914, on a 4 per cent. basis, or at 104.491.

	Interest Received	Interest Earned	Amortization	"Present Cost"
Jan. 1, 1914, Cost.....				\$1,044.91
July 1, 1914..... \$25.00	\$20.90	\$4.10		1,040.81
Jan. 1, 1915..... 25.00	20.81	4.19		1,036.62
July 1, 1915..... 25.00	20.74	4.26		1,032.36
Jan. 1, 1916..... 25.00	20.64	4.36		1,028.00
July 1, 1916..... 25.00	20.56	4.44		1,023.56
Jan. 1, 1917..... 25.00	20.47	4.53		1,019.03
July 1, 1917..... 25.00	20.38	4.62		1,014.41
Jan. 1, 1918..... 25.00	20.29	4.71		1,009.70
July 1, 1918..... 25.00	20.20	4.80		1,004.90
Jan. 1, 1919..... 25.00	20.10	4.90		1,000.00
	\$250.00	\$205.09	\$44.91	

TABLE 2.

A 3 per cent. bond, with 5 years to run, purchased at a discount January 1, 1914, on a 4 per cent. basis, or at 95.508.

	Interest Received	Interest Earned	Amortization	"Present Cost"
Jan. 1, 1914, Cost.....				\$955.08
July 1, 1914..... \$15.00	\$19.10	\$4.10		959.18
Jan. 1, 1915..... 15.00	19.19	4.19		963.37
July 1, 1915..... 15.00	19.26	4.26		967.63
Jan. 1, 1916..... 15.00	19.36	4.36		971.99
July 1, 1916..... 15.00	19.44	4.44		976.43
Jan. 1, 1917..... 15.00	19.53	4.53		980.96
July 1, 1917..... 15.00	19.62	4.62		985.58
Jan. 1, 1918..... 15.00	19.71	4.71		990.29
July 1, 1918..... 15.00	19.80	4.80		995.09
Jan. 1, 1919..... 15.00	19.90	4.90		1,000.00
	\$150.00	\$194.91	\$44.91	

For many years, in fact until 1908, a number of our New York State savings banks were accustomed to carry premium bonds on their books at par, that is, the whole premium was charged off at the time of purchase. In the case of a twenty year 7 per cent. bond, for example, bought on a 4 per cent. income basis, or at 141.03, the bank would regard itself as earning semi-annually at the rate of 7 per cent. per annum on par, or \$35.00, when as a matter of fact it was earning 4 per cent. on the moneys invested, in this instance—for the first six months—\$28.20, the difference, \$6.80, being the first amortization that should be set aside as a contribution toward the extinction of the premium.

To charge off premiums or credit discounts on securities when purchased it can be seen is unsatisfactory, in that it bars forever the opportunity to arrive at true earnings for a given period. Their gradual extinction by means of amortization every six months is eminently proper in the case of a savings bank, for it gives us true earnings covering the preceding six months—knowledge serviceable to a savings bank officer in forming his decision as to the correct semi-annual interest credit or dividend, the rate of which nine times out of ten is based upon the earnings of the previous six months. I say nine times out of ten, for in determining the rate of dividend, the surplus, I refer to the true surplus, computed upon market values, plays a most important part. If the surplus be greater than desired, a dividend, even if not wholly earned, is not unwarranted. On the other hand, if the surplus be less than thought wise, a considerable portion of the earnings should be credited to surplus account. To the practice of ignoring market surplus, and basing interest credits solely upon net income, can be attributed in great measure the small surpluses we find in New York State savings banks to-day. With increased earnings larger dividends were declared, although the forces at work—higher money rates the world over—which produced these earnings were simultaneously causing a shrinkage in the market value of bonds on hand, and so reducing the surplus.

While the process of amortizing both premiums and discounts gives us true earnings, it is well to remember that in amortizing discounts, since the semi-annual earnings deduced, namely, the "interest earned," is greater than the rate of interest on the face of the bond, the "interest received," as shown in Table 2, it is well to remember, I repeat, that if total earnings be credited as dividends, part at least thereof must be drawn from some other fund. For this reason it is open to discussion whether much is to be gained by the process so far as discounts are concerned. In the case of an estate the court will not permit a trustee to amortize discounts.

Admitting—on the assumption that bonds will be paid at maturity—the use of "investment values" or "present cost" to be essential in ascertaining true earnings, let us see why it was that the statement of assets and liabilities, the purpose of which was to show the Department the current surplus or margin of safety between them, with bond assets as well as others appraised at market value, was abrogated, and try to understand how so much confusion arose. To this end it would be well to cite a bit of history. It is not a pleasant duty, but if one desire to clear up a misunderstanding it is best not to mince one's words. Besides, conditions are now such that we can speak plainly without alarming the unsophisticated.

On January 1, 1908, it was generally conceded that if our savings banks appraised that portion of their assets consisting of bond purchases at market value, a number of the banks would report deficits, a state of affairs exposing a weakness that had not, but perhaps should have been, foreseen; but you will recall that January 1, 1908, was barely three months after the panic and security values were still abnormally depressed. The situation being delicate required discreet handling. The Superintendent acted wisely; he permitted the banks to report to him their market surplus at values slightly above the market. It was an emergency, and emergency measures were in order. For that matter he had good reason to believe that, since the country had just passed through

a panic, prices would rebound. Be that as it may, to have closed a number of savings banks at such a time would have excited severe criticism; but, because he did not take such action three months after a panic, does not mean that it would not be his duty to assume charge of a single institution in like state under normal conditions. At the psychological moment, January, 1908, when market values were depressed and surpluses greatly impaired, many savings bank men were urging, and properly so, the use of "investment values" for ascertaining earnings, and a number jumped to the conclusion that, insomuch as their "gilt-edged" bonds were bought with the idea of holding until maturity, market values could be ignored and "present cost" or "investment values" substituted as a basis for solvency. As a natural sequence the law of 1908 followed. Their point of view, of course, was fallacious beyond dispute, and I should add has been greatly modified, for we cannot judge the solvency of a depository owing 100 cents on the dollar, a cash liability, subject at the end of sixty or ninety days at the most to the whim of the depositor, by appraising assets or any portion thereof at other than market or liquidating values.

Since a few of us, however, still labor under the delusion that the present market can be disregarded and surplus computed on other than market values, the following illustration may be helpful:

Suppose five men gave Smith \$5,000, a thousand dollars apiece, and asked Smith to protect their savings, with the understanding that they were to receive a small income. Let us suppose that Smith took the \$5,000, bought five New York City 3½ per cent. bonds at 100, and turned over to the five men regularly the 3½ per cent. income which he received on the investment. Now let us assume, for the sake of argument, that nothing happened until ten years later, when one of these men called for his original thousand dollars. In order to raise the cash Smith looks up the market for New York City 3½s, and finds that, instead of their being worth par, the price paid, they are worth 80. Will some one kindly tell me what right Smith has to turn over to this one individual his original thousand dollars, when at that moment to Smith's best knowledge and belief he can raise but \$4,000 with which to pay all five men? The principle holds true whether there be five depositors or fifty thousand. The principle holds true whether the moneys left for safekeeping be invested in one security or scattered among many, the point at issue being that Smith's total assets to the best of his knowledge and belief were not sufficient to meet his total liabilities. It is interesting to note at this point that at "investment value" or "present cost" the bonds would be worth \$1,000 each, for when bonds are bought at par "present cost" remains at par.

Some of my critics may say that my analogy is unfair because Smith had no surplus at "investment value." Quite true; yet Smith's total assets, at "investment value," were equal to his liabilities, and such being the case, theoretically he was solvent, and had a right to pay in full the first depositor who approached him; but from a practical standpoint he could not have done so without defrauding his other depositors. Of course, if Smith had had an abnormal surplus at "investment value," it is fair to assume that he would have had a surplus at market; but there is no way for Smith to have learned this fact without going to the market to verify his conjecture. Other critics may say that they appreciate the importance of market values as a side issue, but that the books should be run on scientific methods and surpluses determined upon "investment values." I should like to ask my opponents what exactly do they mean by scientific methods of bookkeeping? Are the reports of our railroads and industrial corporations samples of these much lauded methods, and what do they convey to the average mind? While I believe in welcoming every manifestation of real progress, it is my opinion that the books of a savings bank should be so clear that he who runs may read.

If Smith could have turned over the original bond, although salable twenty points under the purchase price, all would have been well, but that was not the tacit understanding. Smith was acting as a

depository, and just so is the savings bank, and just so must always be the savings bank. It is not an investment institution, as some would have us think, but a depository pure and simple. This leads us to the question of what is meant by solvency, and whether any trustee or officer has the right to pay one depositor in full unless he be absolutely convinced, to the best of his knowledge and belief, that the institution has sufficient assets wherewith, if given reasonable time, it could liquidate and pay all depositors in full. Now how under heaven is a trustee or an officer to have this conviction unless periodically he appraise the assets of his institution at prices at which he believes they could be sold?

Naturally no depository could liquidate in twenty-four hours, nor for that matter could it physically be called upon to do so; nor need we allow to enter into the discussion, as some would have us do, the fantastic dread of all savings banks liquidating at the same moment and there being no market. That handy "rule of reason," the gauge that tells us where common sense ends and folly begins, is as useful here as elsewhere. However, if anyone can persuade himself of the likelihood of such an emergency, my advice would all the more be, do not ignore the importance of market values, but prepare for the catastrophe. Aside from the merits of the argument, one thing is certain, that if every savings bank maintained a proper margin of safety in assets over liabilities and proper reserves, public confidence would be so stubborn that the cataclysm pictured could never occur.

Our opponents argue that it would be impossible to liquidate a large savings bank and therefore unnecessary to consider liquidating values. To this I answer, should depositors have the slightest doubt of the possibility of honorable liquidation, would they allow their deposits to remain? Come, gentlemen, let us be frank; would any one of us open an account in a savings bank where to the best of his knowledge and belief its assets at liquidating value were not equal to liabilities? Do not misunderstand me. I do not wish to imply that it takes a run to create insolvency. The Yorkshire Penny (Savings) Bank of England, in trouble some two or three years ago, had no run. Those in authority were convinced that the assets of the institution, run or no run, were not sufficient to meet its liabilities, and that by reason thereof the institution was insolvent. The bank, however, was saved by being turned into a stock company. So far as New York State is concerned, it is well for trustees to remember that, despite any omission in the Savings Bank Law, under the General Banking Act the Superintendent has the privilege to take charge of any financial depository—savings banks included—that, in his judgment, is being operated in a manner detrimental to the best interests of depositors. Surely an institution is being operated in a manner detrimental to the best interests of depositors if, to the best knowledge and belief of those best qualified to know, its assets at the market are not equal to its liabilities.

When recently I had the honor of serving on the commission to revise the Banking Law, we included in addition to a mandatory report upon market values to the Superintendent—such values to be furnished, as I have already said, by the Department—a section that prohibited a savings bank from putting forth any sign, notice or publishing or circulating any advertisement or advertising literature in which it should be stated that such savings bank has a surplus in excess of its market value surplus. Personally I favored prohibiting the publication of any so-called surplus other than that computed upon market values. Before our recommendations were acted upon by the Legislature, an amendment was approved allowing savings banks to report a so-called surplus on other than market values, if the "nature of the same be clearly made to appear." In plain words, a bank could suppress, barring an honest report to the Superintendent, market value surplus, or even a deficit, in favor of an alleged surplus computed at "present cost" or in some other manner. There is no such thing as a surplus at "investment value," "present cost" or computed in some other visionary man-

ner. The term is self-contradictory—surplus means excess and implies the current margin of safety or excess in assets over liabilities. This amendment was in the nature of a compromise. Perhaps it is not for me to criticise a compromise believed necessary to carry the bill as a whole. I doubt, however, whether this concession was necessary. Let us stop a moment and think what it means. It means—I do not assert that it will be taken advantage of—but it means that our New York State Legislature has enacted a law giving permission to a savings bank in a statement to its depositors, the avowed purpose of which is to show the actual condition of the bank, to hide to the best of its information a deficit. Worse still, legislators are not always posted on technical banking subjects, but think, gentlemen, think of savings bank men, men whose duty it is to guard the savings of the poor, demanding that the law should give them the privilege to evade what is really, to the best of their knowledge and belief, the truth.

I have dwelt chiefly upon the question of reports—reports to the Superintendent and to the public—and have not specifically discussed methods of book-keeping. But insomuch as accounting is of the very essence of this treatise, I should like to repeat in effect what I have said in a previous article in "Moody's Magazine" upon the subject. There are several sound methods of bookkeeping. One is to follow the practice of trust companies and banks, which carry their bond purchases either at or below the market, some as low as five points or more below current quotations, in order to render unnecessary the continual changing of the books to meet a falling bond market. While conservative, this procedure is hardly scientific, insomuch as it does not give us true earnings, and in the case of a non-stock corporation, such as a mutual savings bank, it might—although hardly likely—by indicating a surplus smaller than really exists, deprive the present depositor of his rightful income. A good plan in my opinion would be as follows:

Let bond purchases be carried upon the books of a savings bank at "present cost," but at the end of each semi-annual period let the loss, if any, between total "present cost" and total market value be expressed through journal entry. Such an entry could be placed upon the books under the head of "Market Adjustment" account, and the contra entry "Surplus Adjustment" account. Through this process the books will be brought into accord with the facts, not only as to true earnings for a six months' period, which are deduced by carrying bonds at "present cost" and are of assistance in determining dividends, but as to the surplus, which would then be the actual surplus calculated upon the present worth of assets. If this were done, reports could be made accordingly and would be an actual transcript or mirror of the books.

To the minds of many it may appear that I would mark off depreciation, and not credit appreciation. There is nothing wrong in noting appreciation—scientific bookkeeping would call for it. But it is essential to take care that the books do not overestimate the surplus or margin of safety in assets over liabilities, for while in under-estimating the present depositor may be deprived of his rightful income, in over-estimating he may, by receiving too large an income, through the closing of the institution because of insolvency be deprived of his principal. Bookkeeping devices which, by concealing strength, fail to tell the truth, are laudable, compared to those which falsify by concealing weakness.

To the average trustee bookkeeping is a mystery, and I fear will remain so, but reports or statements to the public, the purpose of which is to show the true condition of a bank, or as true as is possible to ascertain in the case of a going concern, should be no mystery to either depositor or trustee. While through the use of "investment values" we deduce earnings, a statement of assets and liabilities with bond assets appraised at "investment value" does not give us earnings, nor does it give us surplus. It gives us no information worthy of the name and is but a dry register of statistics.

Address of Walter E. Hallett.

Perfection in the art of expression has ever been one of the objects for which man has striven hardest and which it has been most difficult for him to approach.

With all the various materials at his command and with all the different media of expression within his reach, in no age or generation has he been able to reach such a degree of perfection in any of the Arts of Expression, pictorial, sculptural, architectural, literary, musical or other, that has satisfied his ambition for something better, something still more perfect.

The art of numerical expression had, perhaps, as early a birth in history as any other, finding its first use, possibly, in the cuts that the savage slashed in a tree to mark the passage of the days, or in the notches in his club that formed the record of his slaughtered victims.

But the mathematical faculty was not one that was earliest developed or most easily cultivated; and we find it a laggard in growth among the arts that flourished in the early centuries, many of which attained a development during that period that has never since been surpassed.

Accountancy, the particular form of numerical expression that interests us to-night, was of very slow development, remaining exceedingly crude at least until the latter part of the fifteenth century. The first work on bookkeeping was printed just about the time that Columbus discovered America in 1492. After that it was practically stationary for decades. It was not an accomplishment of popular usage. People generally knew neither how to read nor to write, nor to "cast up accounts," as the old phrase put it.

That phrase, by the way, is a curious one, and I do not know its origin, but I recollect that in my student days I could never dissociate it from the phrase used in the Bible of Jonah, that he was "cast up" by the whale, as if there was something nauseating about accounts, as there certainly was about Jonah. Perhaps there is a measure of truth in that theory still for many people.

Not until the seventeenth century did accountancy reach the dignity of being recognized as a distinct profession, and during that period the Scotch and English accountants brought about a very considerable degree of advance.

It remained for the nineteenth century to give the impulse that started accountancy toward better things. In this country only within the present generation has accountancy reached a scientific basis, and even yet many of its branches are sadly undeveloped; its terminology is not fixed, many of its principles have not been carried into legal effect through judicial decision. Indeed, accountancy as a science to-day can only be said to be in its formative period. As a popular science, meaning one with which the public has reached any considerable familiarity, it ranks below law, below medicine, even below some of the quite technical industrial sciences.

In fact, considering the part it plays in our modern industrial life and the extent to which it touches the interest of every one of us, whether engaged in industry or a profession, in commerce or manufacturing, in transportation or in political or professional life, it is most astonishing to discover the popular unfamiliarity concerning it. Men who are learned in their own professions, and to that add a very considerable expert knowledge of art or architecture, music or literature, and perhaps all of them will unblushingly admit that to them accountancy is a closed book.

About two years ago I sat in court and listened to an eminent member of the New York bar so present a case, whose success depended on an elementary principle of bookkeeping, that he was foredoomed to failure from the very start, while his opponent strove his utmost to prevent the introduction of a set of books which an amateur could have seen was necessary to prove his case.

It is only within perhaps a dozen years that our universities of first rank have introduced courses in

accountancy, and in my opinion, perhaps not until another generation shall have passed will the subject reach the degree of popular appreciation that it deserves.

It argues well, however, for the future of any profession when busy men are willing at a function such as this to take up, listen to and discuss some of the phases of the problems that confront them in their own particular lines of endeavor, and it is in the hope of adding some little word that will help in the solution of the problem we are to discuss that I welcome the opportunity of addressing you to-night.

As we are to talk of one of the many problems that abound in the science of accountancy, namely, the technical valuation of assets in a mutual savings bank, it were well to start with the inquiry as to what accountancy is and how it proceeds.

Accountancy is both an art and a science. It is one of the arts of expression. It is the science of expressing in numerical terms the processes and results of economic endeavor. It would be well to keep this definition strictly in mind as we proceed.

It is evident that, having to deal with processes as well as with results, the principles of accountancy must have as varied adaptation as there may be kinds or classes of endeavor to which the principles are to be applied. Correctly to express the various processes through which the results sought to be gained in any enterprise are obtained, accountancy must provide means suitable to every occasion and expressive of every form of activity within its field.

However interesting it may be to trace these manifold varieties of method, we are to-night strictly limited to the consideration of a single principle, and I propose to approach that without delay.

The major function of a mutual savings bank is to receive the money of its proprietors, that is, of the depositors, to invest it productively within the limits defined by law and to pay or credit the income earned, or as much of it as may be wise, to the depositors, holding the principal of the fund intact and subject to withdrawal as regulated by statute.

The process involves the investment of the funds in productive form, and this is accomplished in two principal ways: first, investment in bond and mortgage on real estate; second, investment in obligations or bonds, as they are called, of political corporations, i.e., governments, states, counties and municipal corporations, and of railroads.

Investment in bond and mortgage presents no difficulty in respect of its expression in the books. The investment is made at face value. The income is identical with the interest stated in its terms, it is entered on the books at its face value and so carried and estimated in stating the condition of the enterprise at any time. Losses that may be made from time to time on realization of the investment are entered into the account when made.

Investment in corporate obligations, however, presents a difficulty that forms the occasion of our present discussion. Fortunately or unfortunately (as the view may be), a market or exchange exists where these obligations are bought and sold. While they bear a face value and a given rate of interest, they are bought and sold at a variation from that value, either above or below, and the consequent income is either greater or less than the stated interest, as the case may be.

The principles of accountancy underlying investment in either class of security are precisely the same, as we hope presently to show, but the process of their working out must be so modified as to care for this difference between face and purchase value.

Obviously, where a bond is purchased above its face value, or as we say at a premium, knowing that only face value is to be received at maturity, some part of the interest received must be set aside to replace the amount so invested in premium. This sum is so computed that on the maturity of the bond the entire premium is replaced in the capital account. So much of the interest received as may be properly called earnings is entered in the income account and the balance is returned to the investment fund. The investment, entered at cost, is diminished each six

months by a charge of the amount of premium reduction for the period, so that at maturity it appears on the books at par, at which amount it is paid off.

The process of mathematical computation by which this is accomplished is based on the familiar principles of compound interest, and the value appearing on the books at any time is the present worth of the face of the bond, together with the present worth of the annuity consisting of the interest payments. This process of writing off the premium (or writing on the discount, as the case may be, for the same principles apply to a bond bought below par, except that they work in the opposite direction) is called amortization. It is not my purpose to go into the technique of this branch of accountancy, fascinating as it is. It will suffice to say that these principles, as applied to the computation of earnings, are now universally accepted as correct, and that just this last month in the State of New York a revised banking law, recognizing the principle of amortization as applied to the earnings of a savings bank, a law that was drawn up by a commission appointed by the Governor, and of which my distinguished opponent in to-night's discussion was a member, was passed by the legislature, signed by the Governor, and is now in effect.

It is also only fair to state that this limited acceptance of the principle has been accomplished only within the last decade; that when, about ten years ago, the principle of amortization as applied to the accountancy of savings banks was first suggested by its distinguished proponent, the late Col. Charles E. Sprague, it was received with as much incredulity, scepticism and criticism as are now being given to the proposition that it applies with equal accuracy to the expression of values as to the expression of earnings.

I have said that investment in bond and mortgage presents no difficulty as to the statement of value in the books, but that, fortunately or unfortunately, a market exists where corporate obligations may be bought and sold. The existence of this market and the phenomena of fluctuation of prices up and down, with the popular conception or misconception of market value, is responsible for the present difference of opinion as to the proper method of expression in the books of the values of the bond investments.

A mortgage is carried at its face value, it is considered worth par unless and until some loss occurs on realization; a bond, however, having a quoted price fluctuating up or down may be carried at its value determined by amortization, that is, at cost with the premium marked off as it passes away by lapse of time, or it may be considered as worth only the quoted market price, which may be either lower or higher than the value as shown by amortization.

If we attempt to carry this value into effect on the books, however, we find that we must take into the income account fictitious losses or gains, as the case may be, caused by the fluctuations in price. That we are, in short, introducing an element at variance with the facts, for the bonds are not sold but are held until maturity, and, to revert to our definition of accountancy, we are expressing on the books processes that have no real existence.

Every consideration of scientific accounting would seem to suggest that we should represent only processes that actually occur; and that the same principles that apply to mortgages should apply also to bonds, namely, that losses on realization should be taken into the account only when made.

This view would seem to be supported by excellent authority. It was enunciated by Col. Sprague in addresses delivered at various times and before various bodies during his lifetime, although I am unable to quote his exact words.

Professor Henry R. Hatfield, professor of accounting in the University of California, in his "Modern Accounting," 1912, page 92, says, "The attitude of statute law and of the courts on this point is, that where the securities are permanent holdings, disregard of market prices is proper, whether these prices are above or below cost. This is clearly set forth by

the English courts in *Verner vs. The General & Commercial Investment Trust, Ltd.* (1894, 2 Chap. 239), where the distinction is made between securities held as investments for the sake of the income and those carried as the stock in trade of a dealer in investments."

He further says, "In France, too, the Bank of France holds all government securities, which are bought for permanent holding at cost price, irrespective of market quotation."

Says President John M. Taylor, of the Connecticut Mutual Life Insurance Company, in his annual report for 1913, page 5: "This company carries its bonds at their amortized or book value—the only true standard; and the irregular fluctuations, as noted in the 'bid,' 'sale' and 'asked' prices, have no significance, save that all companies are compelled to cover these shifting values in their reports to the various insurance departments, for taxation purposes in some instances; and the surplus rises or falls in each year, measured by this unfair and arbitrary standard. Experience demonstrates that these values will probably be restored under normal financial conditions."

These authorities thus bear out the conception that we have urged, that accurate expression in the books of the processes of savings banks' operations show no basis for a valuation of its bonds other than that shown by amortization.

The relation between process and result is one of interdependence. It is that of cause and effect. Result depends on process, process determines result. If process be correctly expressed, result must be correct. Contrariwise, result cannot be correct unless process is correctly stated. The relation between income account and surplus is precisely the relation between process and result. The earnings expressed in income account determine the surplus, for surplus is the balance of earnings after payment of expenses and declaring of dividends. If, therefore, earnings are correctly stated, the resultant surplus must be correct.

The logic of the argument appears to be irresistible and unanswerable.

"But," says the critic, "this takes no account of losses on realization." That is true. If there were no losses on realization, no surplus would be necessary; all the earning left after the payment of expenses could be disbursed in dividends.

But in the case of investment in mortgages we found that losses on realization were taken account of only when made. Analogy would indicate that losses on realization of bonds should be similarly treated.

Those who hold to the theory that valuation of bonds should be based on market price, hold that solvency may only be measured on this theory. They claim that amortized value is misleading and carries with it the implication that the bank may show a surplus and yet be insolvent. In other words, the advocates of market value demand realization values in the balance sheet. They assume that market value is realization value. In fact every argument for market value is based on the assumption that market value is realization value. If that were so it would be a delightful escape from the perplexities that surround this much discussed subject. But the further we analyze market value, the further does that statement appear from the truth.

What is the meaning of market value and how is it determined?

When a lot of bonds of any given sort is sold on the exchange, a quotation is established. A customer has been found and a sale effected. That certainly establishes a fact on the strength of which an opinion may be founded. It furnishes basis for a guess, or an estimate. Yet it does not imply that another customer may be found at the same price for similar bonds offered for sale in whatever volume.

It should be borne in mind that we are attempting to value all the holdings of a bank, the holdings of all the banks. Can we do that on the basis of a quotation for a single lot of bonds of a given kind, or on a price somewhere between the bid and asked prices? Is the volume to be sold a negligible fact in

establishing the price likely to be realized on liquidation? It would appear a most important fact, yet I have never heard of a bank submitting to its broker with its list of bond holdings for quotation a statement of the amount held of any certain bonds, but only their description. It seems to be assumed that the quotation given is good for all amounts whatsoever.

Legislation following the Armstrong investigation of 1906 into the affairs of the life insurance companies of New York State, compelled the companies to liquidate all their holdings of stock. The amount was stated in the press to be about \$90,000,000. Five years later the companies applied for and obtained legislation extending for another term of five years the time within which they were permitted to liquidate these holdings, on the ground that they had been unable in the five years allowed them to liquidate these without such losses as they were unwilling to make.

The banks of New York State alone hold perhaps \$700,000,000 of bond investments. Is it reasonable to argue that a quotation, however recent, for such a volume as is traded in on an exchange at any time can furnish a basis for valuing the entire holdings of all the banks of the State? Yet that is what we are asked to believe by the proponents of the market value theory.

About three years ago a sale of Atchison Conservative 4's to the amount of \$1,000,000 attracted attention in the public press because of its unusual size, and in commenting on it the New York "Times" referred to it as the largest sale of railroad bonds that had ever been effected on the exchange.

I want to emphasize the point that in arguing from the particular to the general much danger exists. A theory that applies to an individual case must be drawn and stated scientifically before it can be applied to a group or a class. It must be more than a guess or an estimate.

A quack who was experimenting with a nostrum warranted to cure a certain wide-spread disease, first tried it on an Englishman, and he got well. Then he tried it on a German, and the German died. So he cautioned its users with this rule stated on the label, "This medicine will cure an Englishman, but will kill a Dutchman." He was arguing from the particular to the general.

Those who argue that market value is the proper basis of valuation for the securities of a savings bank are bound to show, I think, that it is true at all times and under all circumstances and for all the banks.

We have shown that it is limited in its application as to volume of securities. I think we can readily show that it does not hold under all circumstances.

In the panic of 1907 market value broke down completely. During the height of the panic there was practically no market. Nobody could sell, because nobody could buy. As late as January 1, 1908, when it became necessary to report to the Superintendent at Albany, investment institutions, that is, savings banks and life insurance companies, or most of them, with the consent of the superintendents of banks and insurance, reported a fictitious market value in order to avoid an appearance of insolvency. This was a very practical illustration of my contention. Thus it is seen that the market value theory is not good for all times, that it fails at the time when it is most needed, namely, when solvency is most likely to be tested, in a time of financial distress.

Further, it must be admitted, if we accept the market value theory, that all the savings banks during the 1907 panic were insolvent. If that were so, then all the banks were violating section 296 of the penal code, which makes it a felony for an officer or teller or clerk of a bank to accept deposits knowing that the bank is insolvent. Those who hold to that belief, it seems to me, impale themselves upon the horns of a dilemma. If they receive deposits they are committing a felony, and if they do not receive deposits they are committing suicide, so I see no way of escape for them.

It would be valuable for a brief moment to discuss what solvency is.

Solvency is defined by the Century Dictionary as the ability to meet one's obligations when due. Savings bank obligations to depositors are due when demanded, the demand being subject to regulation by the so-called sixty-day clause. The demand bears a certain relation to solvency. Those banks whose solvency was put to the test during the panic of 1907 proved it in the best possible way by paying all demands in full. To my mind they never were insolvent. The demand did not extend far enough to compel liquidation at the lowest prices. Of course it is unthinkable that we should claim solvency merely because we can meet all present demands, without reserving enough to pay all depositors in full; but to be insolvent at a time of panic, I think, requires two things: first, that we should be sure that assets are not sufficient to pay all depositors; second, that we should be sure that the demand will ensue that will compel us to realize before prices so far recover as to show a surplus. This, I think, is the relation of demand to the question of solvency.

This question of demand seems to me to be misunderstood in another particular as well. It is held by some that amortized value may hold good for one sort of an institution but not for another; thus, that it holds good for a life insurance company, but not for a savings bank, although they both buy bonds for investment and normally hold them to maturity, the argument being that a life insurance company has obligations of a definite and easily determinable maturity, and cannot be subjected to a sudden run like a bank.

I must confess my inability to see the logic of the argument. That may be a reason why a savings bank should invest in quick assets, whereas an insurance company might carry those slower of realization. But that it should affect the application of the principle on which the statement of solvency itself is made, I cannot see.

Solvency is as essential to a life insurance company as to a bank. The obligation imposed by the demand nature of the liabilities of the one in respect of solvency, viz., to be always solvent, is no different from that of the other, and the penalty incurred by the want of it is as severe in the one case as the other.

What, then, I am asked, is the true significance of investment value with relation to the expression of solvency of a mutual savings bank?

I answer, the true measure of solvency of a savings bank, as a going concern, is investment or amortized value. It expresses in terms of present worth, that is, in terms of to-day, the value of all its assets. It expresses correctly the processes and results of its operations. It satisfies all the requirements of scientific accuracy.

The measure of solvency of a savings bank as a concern in liquidation cannot be stated until actual liquidation takes place. We may guess at it, we may estimate it by nominal quoted values (market value does that), but we cannot express it in any terms definite enough to form the basis of scientific accounting.

One cannot express life in terms of death. The two are incompatible.

It follows from what I have said that I am an advocate of a strong surplus for savings banks. Indeed, I think that the believer in investment value is a much stronger advocate of a large surplus than the market value adherent. The latter says, "We can get this much for our bonds." The former says, "I don't know."

Personally I agree with my distinguished opponent here to-night, that, in addition to a strong surplus, a 5 per cent. cash reserve should be maintained by all savings banks. That is none too much, in my opinion. I further believe that the sixty-day clause should be reinforced by power given to the superintendent at his discretion in times of great emergency to extend the period for a further term of sixty days.

But these matters are beyond the scope of my subject. In conclusion, briefly to summarize the points of my contention to-night, I believe investment value to be the only exact basis upon which the accounts of a savings bank may be based.

That it shows correct surplus at all times of the bank as a going concern.

That realization value cannot be stated except on actual liquidation.

That market value is not realization value, although based on that assumption.

That its usefulness as an estimate should be considered as restricted to an approximation good only for limited amounts and at normal times, and not as measuring solvency at all times, and that therefore as a theory its value is restricted, for in normal times it is of limited usefulness and in panic times it is useless.

I should not like to be understood as claiming that market value has no virtue. On the contrary, for the purposes within its proper sphere, it is invaluable.

I have confined myself to pointing out that amortized value is the only exact basis for the bookkeeping of savings banks, that as a medium of expression of the solvency of a savings bank, as a going concern, it satisfies all scientific requirements; and that market value, so far as it claims to be realization value, is misleading.

But its worth in the field of savings bank statistics cannot be measured. As furnishing data on which to study the fluctuations in price of savings bank bonds, and thus to learn the periodicity of these fluctuations, it finds its proper sphere and its value cannot be ignored. And in the whole range of statistics it necessarily plays a most important part.

But this is a subject of great importance in itself and I cannot touch upon it.

I will leave my topic hoping that I have rightly conveyed to you what I set out to demonstrate, namely, that market value is not realization value, and that realization cannot be stated until it occurs. That this is the core of the subject, and that it follows from this that the expression of values of the assets of a living concern may be made in terms of life only.

TRUST COMPANIES.

By L. M. Kinne, Secretary of the Trust and Deposit Company of Onondaga—Paper Read Before Syracuse Chapter of the American Institute of Banking.

In considering the subject of the Trust Company, two questions naturally arise:

First, Why does it exist? Second, What is it, and what purpose does it serve?

The English word bank, in its original in numerous languages, signifies a bench or counter—a place where exchanges of money was made, or the desired kinds of money furnished, and in earlier days was a very simple affair, differing widely from the more complex and extensive institutional operations of the modern bank. By degrees these early money changers began taking funds on deposit, made advances on merchandise, titles to property, etc., and became finally what we know as bankers.

The lending of money with the taking of interest for its use dates from the earliest antiquity of which there are any records. Constant reference to it is made in both the Old and New Testaments.

These primitive banking methods have been gradually developed and improved upon, finally producing our modern efficient banking systems. It would be interesting to trace this development, but time would not permit, nor is it the purpose of this paper to enter into any extensive discussion of banking, but in a very simple manner to note some of the reasons for the existence of the trust company and its manner of serving the public.

The trust company is the creature of statute; the product of evolution and demand and supply. It represents in its make-up, and, under the liberal provisions of statute, carries on practically all the various branches of banking permitted the National, State and savings banks, save only that of currency issue; and in addition performs many functions not permitted these other classes of banks, and which are

of great benefit to the public, and incidentally insure to the good of the profit account.

From earliest time, and down nearly or quite to within the memory of some of the older members of your Institute, corporate and personal trusts were intrusted to and executed by individuals. For instance, a corporation placing a mortgage upon its property would name some individual as the mortgagor or trustee, and individuals executing wills or other instruments requiring a fiduciary invariably named some individual to execute the trust, for there was no corporation legally authorized to act in such capacity. These individual trusteeships, particularly in the cases of corporations, presented many objectionable features, not the least of which was the death of the individual trustee before the completion of the trust, with the consequent necessity of application to the courts for the appointment of a successor, which carried with it not only delay, but large legal expense and additional fees.

Finally the idea was conceived of having a corporation chartered, with authority to assume and execute such trusts, hence the trust company; and as there was no statute covering such organization, all the earlier trust companies were chartered by special legislative enactment.

The trust company exists, then, because there was demand for such an institution, and time and experience have demonstrated their usefulness and permanence, and more and more are they being appreciated by the public. This is evidenced by the fact that one scarcely ever hears of an individual acting as trustee of a corporate mortgage, also by the very large and increasing number of individuals who are naming a trust company as the executor or trustee, or both, of their last wills and testaments.

We may have occasion a little further on to refer more particularly to this last item of naming an executor or trustee.

Now, what is a trust company, and what purposes does it serve? From my fairly long connection with one of these institutions, and my knowledge of its practical working, I can almost hear the answer sounding through the half-muffled groan of some fellow slave, "The trust company is a place where you spend your life in work, work, work, with barely enough spare time to spend your salary." I'm thankful that that is largely the echo of bygone days, and that more and more, as the business is systematized, there is coming into the lives of bank employees a higher plane of living, a better social atmosphere, as well as far more cordial relations between employees and officers, and, thanks to such organizations as the American Institute of Banking, the opportunity for practical education along banking lines, which must manifest itself—in fact, is already manifesting itself—in more efficient and enthusiastic service, resulting in more earnest and hearty co-operation, which is the keynote to success.

Most of the earlier trust companies confined their business strictly to such as partook wholly of the nature of trusts, some of them transacting tremendous volumes of business without handling any money or having a dollar of currency in their vaults, even going to the extent of keeping all their uninvested trust funds on deposit in some other institution. Just imagine a large bank doing a profitable business without a cent of money in the vaults, and still all the officers being south of the Canadian border, and not under restraint. Gradually, however, the business of these companies began to expand into other lines, until now (as ably explained in a paper presented to our Institute last year) the trust company is a veritable department store in banking.

The modern trust company includes, in its facility for supplying the public's needs, many departments, some common to other banks and some peculiar to itself, among them being the trust department, with its trust officer, who takes charge of all matters pertaining to its business as fiduciary. In the larger companies there are two trust departments, one caring for corporate trusts only, the other for the individual trusts.

The bond department, through which such securities as the company purchases for its own account or

that of its clients are procured, and which in a very vital way comes in touch with the investing public through assisting in the investment of moneys for individuals and corporations.

The loan department, having charge of loans and discounts, after these have been passed upon by the proper officers.

The collection department, having charge of all items left with the company for collection. In very large institutions coupons are handled in a separate department.

The foreign department, having charge of all foreign credits and collections; the issuance of foreign drafts, letters of credit and travelers' checks; the purchase and sale of foreign money and exchange, and attending to cable transfers.

The safe deposit department, renting individual safe deposit boxes and caring for valuables left for safekeeping.

The banking department, where the deposits are taken and checks cashed; and

The bookkeeping or accounting department, which has charge of all the accounting between the depositor and the company, and the generalizing of all the other departments.

Since the trust company is the creature of statute, deriving its powers and privileges therefrom, it may simplify to quote or refer to some of the statutory provisions and comment upon them:

Thirteen or more persons may form a trust company on complying with the legal requirements, among which are the execution by the incorporators of an organization certificate, which shall state, among other things:

1st. The name by which the organization shall be known.

2d. The place where the business is to be transacted.

3d. The amount of its capital stock and the number of shares into which it is to be divided.

4th. The name, residence and postoffice address of each member of the corporation.

5th. The term of its existence, not exceeding fifty years.

The charters of many of the earlier trust companies which were authorized by special legislative enactment were perpetual, while those incorporated under the present banking law are limited to fifty years, at the expiration of which they must either have the charter renewed or cease to exist.

The capital must be paid in cash before business is transacted, and the capital must be at least \$500,000; except that a capital of not less than \$200,000 will suffice in any city of 100,000 to 250,000 inhabitants, and \$150,000 in any city of 25,000 to 100,000 inhabitants, and \$100,000 in a city or town whose population at the last Federal or State enumeration did not exceed 25,000.

The capital must be invested in bonds and mortgages on unincumbered real property in this State, not exceeding 60 per cent. of its value, or in the stocks or bonds of this State or of the United States, or of any county or incorporated city of this State. Any moneys held by a trust company in trust may be invested in the same kind of securities as it is required to invest its capital in, or in the stocks or bonds of any State in the United States, or in such real or personal securities as it may deem proper, and the funds held in trust by a trust company constitute a preferred claim.

The trust company possesses certain special powers, among them being to act as transfer agent or as registrar, and for those purposes to countersign the certificates of stocks, bonds or other evidences of debt of domestic or foreign corporations.

It may receive deposits of trust moneys, securities, and other personal property from any person or corporation, and may loan money on real or personal securities. It may act as trustee under any mortgage or bonds issued by any municipality, body politic or corporation, and accept and execute any other municipal or corporate trust not inconsistent with the laws of this State.

The trust company is authorized to accept and execute trusts from married women, in respect to

their separate property, and to be their agent in the management of such property or to transact any business in relation thereto.

It may, under the order or appointment of any court of record, act as guardian, receiver or trustee of the estate of any minor, and as depositary of any moneys paid into court, whether for the benefit of any such minor or other person, corporation or party.

It may accept and execute any legal trusts in the management and disposition of any estate, real or personal, which may be confided to it by any court of record, or any person, corporation or other authority.

It may act as executor and trustee under the last will and testament, or as administrator with or without the will annexed, of the estates of deceased persons, and it may act as committee of the estates of lunatics, idiots, persons of unsound mind and habitual drunkards.

These last few paragraphs, referring to the trust company acting as guardian, executor, administrator, trustee, etc., bring into prominence a few of the uses to which such companies are put and which possibly bring the trust company into closer relations with the public than do any other of its offices. The handling of an estate is an exceedingly confidential matter, and the executor or administrator comes into touch with the kindred and heirs of the deceased in a way no other can, and the trust officer of the trust company becomes in many cases the confidential adviser of those interested in the estate, and much depends on his discretion and tact as to the satisfactory handling of the estate.

The trust company, in a fiduciary capacity, enjoys an advantage over the individual so acting, since as its representative, acting as he does for a corporation, the trust officer is less liable to be influenced in the discharge of his duties by the importunities of dependent and frequently improvident beneficiaries than is an individual, as the latter is usually some friend or relative, and is therefore more likely to be open to importunate approach, so that, as a rule, I believe an estate administered by a trust company is more likely to be handled to the satisfaction of the heirs than if in the hands of an individual. The appointment of trust companies as executor, administrator, guardian, etc., has been a matter of education, and the public is coming now, more than at any time in the past, to appreciate the desirability of having a trust company act as the representative after death. Ordinarily the expense of having a trust company handle an estate is less than in the case of an individual, for, while the legal fees allowed are the same in both cases, the trust company saves money to the estate because its representatives are experts and need have recourse to legal advice much less frequently than would the ordinary individual. A trust company acting in a fiduciary capacity is not required to furnish any bond for the faithful performance of the trust committed to it, while an individual must furnish a bond for twice the amount of the personal property, and if a surety company bond is given, the cost of it is a legal charge against the estate; so this is an added argument in favor of the trust company being selected to execute the trust.

The compensation of an executor, administrator or guardian is fixed by statute and, as indicated above, is the same in the case of an individual or trust company. It is as follows: $2\frac{1}{2}$ per cent. for receiving and $2\frac{1}{2}$ per cent. for paying the first \$1,000; $1\frac{1}{4}$ per cent. each way on the next \$10,000, and $\frac{1}{2}$ per cent. each way on the balance, in ordinary estates. This applies to the principal. On the income the fees are 5 per cent. These fees are in addition to necessary expenses. To illustrate: The fees of an estate, say, of \$1,000 would be $2\frac{1}{2}$ per cent. each way, or 5 per cent. on the \$1,000, a total of \$50. On an estate of \$11,000, \$50 on the first \$1,000 and $2\frac{1}{2}$ per cent. or \$250, on the remaining \$10,000; a total fee of \$300 for handling and closing the estate. In accepting and executing trusts for living persons or corporations, the fees to be charged by the trust company are subject to such arrangement as may be agreed upon between the parties in interest. The trust company is authorized to purchase, invest in and

sell stocks, bills of exchange, bonds and mortgages and other securities; and when moneys or securities for investment, the bonds or obligations of the company may be given therefor. This is a very broad provision, and taken in connection with another which provides the right to exercise the powers and possess the privileges conferred on banks and individual bankers as to rates of interest which may be charged; the taking of interest in advance, etc., and the charging of more than six per cent. on certain collateral loans of not less than \$5,000 in amount gives the trust company very wide latitude in the matter of loans and investments.

As in the case of savings banks, a trust company may receive deposits from minors and hold them for the exclusive use and benefit of the depositor, and free from the control or lien of all other persons except creditors, and may pay such deposits to the person in whose name the deposit stands, and the receipt or acquittance of such minor shall be a valid and sufficient release. This provision is peculiar to savings banks and trust companies; other banks carry such accounts (that is, of minors) at their peril, provided they permit the minor to handle the matter of withdrawals the same as if he were of full age.

We have considered some of the channels through which the trust company may serve the public; but the manner in which it does serve it, and therefore the company's standing in the public eye as well as its success, depends on something more than the mere possession of privilege or opportunity, or both, and this applies not only to trust companies, but to all classes of banks. No trust company—no bank can long or well succeed, I care not how broad its charter or liberal the statute under which it operates, unless it is officered by men of ability, of character and of good moral standing, and even thus officered, the bank or trust company whose clerical force is either inefficient, inexperienced or indifferent, falls far short of rising to the full height of its opportunities, for much, very much, depends on the character of the service rendered by the individuals of the force. I would emphasize the fact that no position is of so little importance but that its incumbent should fill it to the fullest measure; and if this principle is carried out all through the force, from the messengers all the way up to the highest positions, the whole structure will feel the throb and respond in increased usefulness to the public and financial gain to the bank. The officers may direct the general affairs of the institution ever so well; they may be men of such standing in the community as to command for the bank the confidence of the public; they may be conservative as to loans and investments, and in every way qualified for, and fill, the offices to which they are chosen, but if the bank is weak in its clerical force, if there are spots here and there (whether it be in the careless writing up of a pass book or statement, or the discourteous treatment of a customer at the counter, by word or act), the bank's usefulness is lessened and its progress stayed.

Let each one act his own part as if the success of the bank depended on him—for in a measure it does—keeping his own work well in hand, yet always willing to assist another if requested, but not working actively in a department other than his own. I have seen men who seemed possessed to get into other men's work, apparently to show the management or head of department their ability. This is not wise. The best way to show ability is to ably perform allotted tasks. The men higher up ordinarily know who the able men are and on whom they can depend. Not only ability, but accountability, responsibility and dependability are characteristics to be coveted and possessed by every employee who would make progress in his position or attain to any great measure of success.

The bank's reputation depends largely on that of its employees. They should be of highest character and habits, and in every way so conduct themselves as to inspire confidence; for thus, and thus only, can the business of banking, and the bank itself, retain the confidence of the public, so necessary to its life and success.

INSTITUTE EXTENSION.

By J. L. Cross, President of Birmingham Chapter of the American Institute of Banking—Address at the Annual Convention of the Alabama Bankers' Association.

BEFORE undertaking a discussion of my subject—"Institute Extension"—permit me to thank your Association for the courtesy extended the Birmingham Chapter in permitting it to be represented on the program of this convention. It is an adopted and growing policy of the Institute throughout the United States to take advantage of every opportunity of this kind to bring to the bankers of the country some message of the progress of the Institute and its members; for only in this way can those of us constituting the membership give public demonstration of our appreciation of the great opportunity given us through the Institute to elevate the individual and the profession.

The one principle which was the inspiration for the inception of the Institute at the convention of the American Bankers Association at Richmond, Va., in 1900, was education; and so tenaciously has this principle been adhered to, and so vigorously has it been pushed forward and expanded, that to-day the American Institute of Banking is the educational section of the American Bankers Association, devoted to the education of bankers in banking and the establishment and maintenance of a recognized standard of education by means of official examinations and the issuance of certificates of graduation. Neither does the Institute work stop here—rather it is the beginning instead of the end. There has been established a system of post-graduate study which appeals not only to the Alumni of the Institute, but to officers of Banks and others who may not be inclined to enter into the elementary study. The purpose of this course is to study current events in the financial world; and with our new banking and currency bill to be put into operation, time could not be more opportune to impress the bankers with the wonderful good to come from systematic, universal study and criticism of current financial topics.

The banker of to-morrow will have problems to face that the banker of to-day does not have, for in addition to national problems of banking and credit, we are about to enter the international field; and the men schooled in the fundamental principles of economics and finance are the men who will carry off the honors. Think what a prestige it would give American banking to have every man in the profession educated and trained to the minute. This is the ambition of the Institute.

I would not be construed to mean that when a student earns a certificate he is ready to step up and take a position among those ranking high in the financial world; but I do mean that a young man who is sufficiently interested in his profession, and who has enough American red blood in his veins to stimulate ambition, who will take hold of the work and stick to it, will finally land where he wants to.

The Institute does not propose to cover everything that one should know to become a successful banker, but it does cover the fundamentals of banking and law which one must know to make a success of banking.

There is no commercial institution in any community which forms such a vital part of that community as the bank—and the character of the bank is a reflection of the character of its officers.

Time was when it was thought that a banker should never express a partisan opinion; should take no stand for public policy, but rather sit back and act as a sort of intermediary. But that is an old idea, and to-day the bankers throughout the country are taking the lead in public affairs generally.

One of the most recent features of the Institute work is a systematic plan to educate the general public in things financial. There is no doubt but that the prejudice against banks and bankers in the minds of the great uneducated class is due entirely to igno-

rance. The plan is to have the various chapters train some of their members in speaking upon the nature and functions of our financial institutions before church clubs, neighborhood gatherings, schools or any public assembly, no matter what their degree of intelligence. Explaining in a simple way how the prosperity of our country is dependent upon the thrift of its people; how the banks can be utilized as an aid to thrift; explain what money is, what wealth is, how surplus wealth is acquired and how it is used to aid the progress of civilization—these and many other similar subjects to be discussed and persistently followed up to bring the people to appreciate the utility of our banks, instead of harboring a prejudice against them.

While the Institute is becoming a factor for common good and undertaking missionary work in new fields, it is not overlooking the prime factor—that of educating bank men. The work in cities where chapters are established is more or less inspired by social contact, and has been unqualifiedly successful; however, the majority of the bank men of this country are in banks located in territory not accessible to chapters, and it is to these men that the Institute is turning to-day for extension, and a correspondence chapter has been established for the country banker and directed by them. It is the hope and ambition of the Institute that through this chapter the study course may be carried into every bank in the country.

For the benefit of those not familiar with the course of study provided, I shall endeavor to give you briefly some idea of what the course covers: Part I, pertaining to banking, gives the student some knowledge of the general facts of commerce and industry; treats of the nature and value of money; the demand and supply of money; the character and uses of credit; the relation of credit to the banking business; some financial history and a general study of the metallic money and currency.

It gives a thorough discussion of bank accounting, exhibiting forms and explaining in detail the workings of each department in a bank.

Under the head of Loans and Investments, special attention is given to the essentials in granting credit; to corporation finance, stocks, bonds, etc.

The nature and functions of clearing houses and trust and savings institutions are thoroughly discussed.

This prescribed course is given in four lesson pamphlets, each of which requires about two months of study.

Part II, which is devoted to law, is designed to give the banker sufficient knowledge of commercial law to conduct his business intelligently and know when to consult a lawyer.

Laws of contracts are given a thorough study, as to capacity of parties, offer and acceptance, consideration, etc.

The subject of agencies, partnerships and corporations occupy one pamphlet, defining the rights, liabilities and powers of such associations or agencies.

The pamphlet sales and bailments covers contracts of sale, fraud, pledge and hypothecation, collateral loans, warehouse receipts, bills of lading, etc.

Then the last pamphlet in the law course is devoted to negotiable instruments, and the negotiable instruments law as enacted in most of the States is given in full.

I have given you a very brief idea of what the course covers, but I feel sure that if any bank man will take the time to investigate the course he will be thoroughly convinced of its merit.

What remains to be done now toward Institute extension is to bring the young men in the country banks to a realization of what the Institute can do for them; and as a means toward this end the Birmingham Chapter desires to-day to petition your Association for membership and become actively connected with the workings of your Association, believing that in this way the Institute can be forcibly brought before the bank men in Alabama.

In recognition of the worthiness of the purpose of the Institute the American Bankers Association not only permits any chapter to become a member of that Association, but goes further and gives the

Institute a place on their executive council, which place is filled each year by the president of the Institute.

Several of the State Bankers Associations, in order to aid in the extension of the Institute work, have amended their by-laws so as to admit to membership any chapter in their particular State.

So, with these precedents before us, and believing that educational work can be better spread throughout our State by the chapters of the Institute becoming active in your Association, the Birmingham Chapter prays your earnest consideration of its petition.

STUDIES IN ENGLISH.

Individual and Collective Systems of Instruction.

STUDIES IN ENGLISH provided by the Correspondence Chapter but available for all chapters, will be a leading feature of Institute work the coming year. To individual students connected with institutions that are members of the American Bankers Association the tuition fee for "Studies in English," including all text-literature and correction of collateral exercises, is \$20.

A modified method of correspondence instruction is provided for students who are able and willing to work together in classes under the leadership of some one of the class members. Such plan provides that (1) each student shall be supplied with a full set of lesson papers consisting of text-literature and collateral exercises; (2) each student shall write the collateral exercises in connection with the first lesson and submit them to the class leader; (3) the class leader shall select one set of exercises from the whole lot thus submitted to him by the members of the class and forward the same to the Correspondence Chapter for correction; (4) when corrected the Correspondence Chapter shall return the one set of corrected exercises to the class leader; (5) on receipt of the one set of exercises thus corrected the class leader shall assemble the members of class and each class member shall compare the set of exercises written by himself with the set of exercises corrected by the Correspondence Chapter. When the first lesson is finished in accordance with the foregoing plan, subsequent lessons in their numerical order are to be studied and corrected in the same manner until the course is completed.

Under the modified method of correspondence instruction thus described the tuition fee for the first student is \$20 and the tuition fee for each additional student is \$2. It will thus be seen that the tuition fee for two students studying together, including two sets of lesson papers and the correction of one set of collateral exercises, would be \$22, or \$11 for each student. The tuition fee for three students studying together, including three sets of lesson papers and correction of one set of collateral exercises, would be \$24, or \$8 for each student. The tuition fee for five students studying together, including five sets of lesson papers and correction of one set of collateral exercises, would be \$30, or \$6 for each student. On the same basis of computation a class of nine would reduce the individual tuition fee to \$4 and a class of eighteen would reduce the individual tuition fee to \$3. Under the modified method of correspondence instruction thus provided the individual benefit to class members depends upon their attention to the work prescribed.

A specimen lesson of "Studies in English" will be sent upon application.

FROM ONE WHO KNOWS.

MURRAY S. WILSON, Cashier of the Borden, Ind., State Bank, who has just completed the Institute study course, writes as follows:

"Yours is the most complete exposition of the Negotiable Instruments Law I have ever seen, and I feel sure that no banker would ever regret the time and money expended in brightening himself up on the fine points of the Law by a study of your text book."

RESERVE COMPUTATION.

Method Prescribed by the New York State Banking Department.

A CORRESPONDENT in Oklahoma wants to know the method of computing reserves in New York State banks. The following is the form prescribed by the State Superintendent of Banks:

	Total	Gold, etc.	Cur- rency, etc.	De- posi- taries
In Manhattan Borough	18	6	6	6
In the Boroughs of Greater New York with branches in Manhattan	18	6	6	6
In the Borough of Brooklyn without branches in Manhattan	15	5	5	5
Elsewhere	12	2	2	8
To ascertain amount of aggregate deposits upon which reserve is to be computed:				
Add 1. Amount due banks				\$.....
2. Amount due bankers.....				.....
3. Amount due trust companies .....				.....
4. Amount due New York State Savings banks and savings and loan associations .....				.....
5. Amount due other depositors .....				.....
6. Amount due on certificates of deposit .....				.....
7. Amount due on certified and cashier's checks.....				.....
8. Amount due on unpaid dividends .....				.....
Total				\$.....
Deduct 1. Amount due (subject to call) from banks, bankers and trust companies not reserve depositaries, including foreign exchange balances credited to it and subject to draft				\$.....
2. Amount due on exchanges and checks on other banks and trust companies in your city to be presented for collection the following day.....				.....
3. Amount due on deposits the payment of which cannot legally be required within thirty days .....				.....
4. Amount of deposits secured by outstanding unmatured bonds of the State of New York and of the City of New York .....				.....
5. Amount of New York State and New York City bonds owned and held at market value but not exceeding par value, exclusive of amount necessary to cover item No. 4 .....				.....
6. Amount due from reserve depositaries, excess over amount required to maintain its total reserve.....				.....
Total				\$.....
Balance, upon which reserve is to be computed				

Note.—If a member of Regional Reserve Bank, may maintain as reserves on deposit with such federal reserve bank such portion of its total reserves as shall be required of members of such federal reserve bank, and if such bank has an office in a bor-

ough having a population of two millions or over, the remainder of its total reserves shall be carried as reserves on hand.

In case reciprocal accounts are kept with reserve depositaries, only the excess due you can be counted as reserve.

BETTER BANKING.

By James L. Wynne, Cashier of the Marine Bank of Crisfield, Md.—Synopsis of an Address at a Meeting of the Associated Banks of Somerset, Worcester and Wicomico Counties.

DURING the past four or five years much has been said and written by the American bankers relative to the encouragement and development of Agriculture (the foundation of all other industries) and the education of the Farmer. This is a splendid movement, and deserving of all that has been done for its advancement. Some of the members of this Association, I notice, are taking active interest in encouraging this work, which is sure to result in not only increased business and increased profits to them, but also in the better development and advancement of the communities they serve.

There is another subject about which much has been said and done by bankers that should go hand in hand with the bankers' efforts in the development of Agriculture, to which I wish to direct your attention, and that is, an opportunity for the better education and development of the bankers of the coming generation—in other words, let us use our influence and lend our aid to giving our employees the opportunity of becoming efficient bankers. Doubtless you know better than I the necessary requirements to be an efficient banker. In striving to be an efficient banker, we should strive to become an "Ideal" banker and an "Ideal" citizen.

The man who in his money making has fallen into the habit of life until it absorbs his every thought, shuts out the humanities, blinds him to the community's demand upon him, and in some cases leads him to questionable methods in business, is to be pitied, and such a life deplored. Such a man could not be an efficient or an "Ideal" banker. The gaining of wealth is secondary to the higher duties of life. What is property? What is distinction? What is power? It is the substanceless shell. The real thing is integrity of thought, the consciousness of the duties of life. Life is too serious and fraught with too great responsibilities to go through it in a thoughtless or superficial way.

The efficient banker must be well qualified. The banking business is a broad field taking men of great ability and wide experience to properly conduct it in its many branches, and to protect its interests and expand its operations, as has been recently demonstrated in the time and effort expended by leading men of this country on the "Federal Reserve Act." Customs are changing, business is becoming more complex; the demands upon, and the duties of, the banker are becoming greater. In earlier days, the concern of the banker was carefully to guard the funds placed in his hands for keeping, and return them on demand; in these days the banker must provide means upon which businesses are created and by which the material affairs of the community are developed. Upon the intelligent conduct of the bank to-day depends in a great measure, not only the safety of the depositor as before, but the prosperity of the bank's patrons and the welfare of the community. The banker of to-day, and the future, must be aggressive, not with the selfish purpose of contending for business, but that his bank may fill its economic place in the community and justify its right to be. The world moves. The world of events goes steadily forward with a force irresistible, and bankers must recognize and meet changing conditions just as men recognize and meet changing conditions in other lines. Banking is daily coming to be recognized more and more as a profession that

must be thoroughly understood by those who are to successfully carry it on.

Now, some may say, how are we going to accomplish this? The problem is solved by means of "co-operation" (the chief incentive to the organization of this Association) and by an education. Both you will recognize as words of great meaning. While most of us have perhaps gotten our knowledge of banking through experience, and many of us are of the opinion that "experience is the best teacher," yet we realize that it is often an expensive one, as well as being a slow process. Why not assist those with whom we are associated—our bank employees—to an opportunity of receiving not only the benefit of our experience, but in addition thereto assist them to greater opportunities? Thus in a few years the bankers of our three counties could be men with banking ability equal to that to be found in the large money centers. While we have had to gain our knowledge through experience, we should not feel that our successors should have to do the same thing, especially when we can, with little effort, assist them to be better fitted to meet the requirements and responsibilities that will devolve upon them.

The American Institute of Banking is providing the opportunity for assistance in the accomplishment of the desired end. For the benefit of those not familiar with the Institute's work and purpose, I will say, it is a section of the American Bankers Association devoted to the education of bankers. About fifty per cent. of the Associated Banks of Somerset, Worcester and Wicomico Counties are members of the American Bankers Association. Their employees are, therefore, entitled to reduced tuition for the Institute Study Course. The recently incorporated Correspondence Chapter of the Institute identifies country bankers more closely than heretofore with Institute work, and the opportunities offered are worthy of consideration by every banker interested in better banking.

PROPOSED BOARD OF REGENTS FOR THE INSTITUTE.

By James D. Garrett.

EDUCATION and the American Institute of Banking are now synonymous." The Institute's popularity and usefulness are attested by the enormous membership of over fifteen thousand bank men. The most sanguine hopes of our parent organization, the American Bankers Association, have been realized and the Institute is the recognized financial educational organization of the American banker. The development of the A. I. B.

DOCUMENTS FOR DISTRIBUTION.

THE Association has on hand a quantity of printed matter. The list comprises the following documents, any of which will be sent to our members on notifying the office:

Currency.

Report of the Currency Commission of the American Bankers Association, 1907.

Report of Currency Commission of American Bankers Association, made at a meeting held at Chicago, Saturday, January 18, 1908.

Statement of Currency Commission of American Bankers Association presented to House Committee on Banking and Currency, at Washington, D. C., Wednesday, April 15, 1908.

Credit Currency. By Elmer H. Youngman, Editor "Bankers' Magazine."

Report of Committee on Banking and Currency on the "Issue and Redemption of National Bank Guaranteed Credit Notes," Fifty-ninth Congress, Second Session, 1906-7.

has been steady and conservative, but ever progressive. As new fields of educational endeavor are invaded higher standards are set and the Institute's influence and usefulness are more deeply impressed upon the banking fraternity. With the advent of the Post-Graduate course the field of higher education was invaded and the educational standard was thereby raised to that of the university. The Institute therefore as an educational organization with its high standards fixed, has now reached the point where the advice and guidance of the most competent educators and broad-minded bankers are needed to perfect its organization. To meet these needs as well as to add to the dignity and prestige of the Institute, I beg leave to offer the following resolution to create a Board of Regents of the American Institute of Banking:

"ARTICLE III.—The educational work of the Institute shall be under the general supervision and subject to the approval of a Board of Regents consisting of (1) two professional educators, (2) two practical bankers, and (3) the Educational Director of the Institute. The members of the Board of Regents thus constituted shall be appointed by the Executive Council of the Institute and serve during the pleasure of said Council."

A SUGGESTION.

JOURNAL AMERICAN BANKERS ASSOCIATION.

Gentlemen

Enclose please find a money order for one dollar (\$1.00) for a year's subscription for the Journal-Bulletin of the A. I. B. Pardon me for making a suggestion; during the last six or eight months there have been a continuous number of articles on the benefit of educational work of the A. I. B. There is no doubt but that is all right, but I think if more space was devoted to articles on banking we would gain more benefit.

Sincerely yours

Harold P. Freeman
423 Beacon St Boston Mass.

COMPULSORY EDUCATION OF BANKERS.

By Harold Tompkins.

KANSAS is trying to compel the education of bankers in that State through a scheme of official examination, and now comes the report that the new Federal Reserve outfit have something of the kind up their sleeves. That sort of thing is simply tyranny. Few bankers need any education in banking, and State or National presumption to the contrary is an outrageous interference with personal liberty.

Miscellaneous.

Guaranty of National Bank Deposits. By James B. Forgan, President First National Bank, Chicago, Ill., before the annual meeting of Group Two of the Bankers' Association of the State of Illinois, held at Peoria, June 11, 1908.

General form of Articles of Association to be used in the organization of Clearing House Associations in the smaller cities and towns.

Report of Special Committee, Trust Company Section, September 13, 1904, on the Classification of Legal Decisions relating to Safe Deposit Companies, Rules and Forms.

Address by Jordan J. Rollins before the Trust Company Section, September 14, 1905, on "The Protection of Trust Companies Acting as Transfer Agents and Registrars."

Forgan, J. B. "Clearing House Examinations by Clearing House Examiners."



INSTITUTE CHAPTERGRAMS

Chaptergrams must be received by the Educational Director of the Institute not later than the 28th of the month preceding publication.

CONVENTION ARRANGEMENTS.

Work of the Transportation Committee—Variety of Routes—Entertainment at Dallas and New Orleans.

Delegates from all points in the east connect with either of these trains:

Special "A."

VIA NEW ORLEANS.

Leave New York (Pennsylvania Depot) Friday, Sept. 18th, 4:35 P. M.
 Leave North Philadelphia Friday, Sept. 18th, 6:38 P. M.
 Leave West Philadelphia Friday, Sept. 18th, 6:52 P. M.
 Leave Baltimore Friday, Sept. 18th, 9:20 P. M.
 Leave Washington Friday, Sept. 18th, 10:45 P. M.
 Leave Atlanta Saturday, Sept. 19th, 5:20 P. M.
 Arrive Montgomery Saturday, Sept. 19th, 9:55 P. M.
 Arrive Mobile, Sunday, Sept. 20th, 3:25 A. M.
 Arrive New Orleans Sunday, Sept. 20th, 7:50 A. M.
 Remain in New Orleans until 7:00 P. M. as guests of the New Orleans Chapter.
 Leave New Orleans Sunday, Sept. 20th, 7:00 P. M.
 Arrive Dallas Monday, Sept. 21st, 6:10 P. M.
 Convention, Tuesday, Sept. 22d.
 Convention, Wednesday, Sept. 23d.
 Convention, Thursday, Sept. 24th.
 Visit Fort Worth and Waco Friday, Sept. 25th.
 Visit San Antonio Saturday, Sept. 26th.
 Visit Houston and Galveston Sunday, Sept. 27th.
 Remain in Galveston until Monday, Sept. 28th, 5:30 P. M.
 Leave Houston Monday, Sept. 28th, 7:20 P. M.
 Arrive New Orleans Tuesday, Sept. 29th, 9:25 A. M.
 Leave New Orleans (Southern Pacific Steamer) Wednesday, Sept. 30th, 10:00 A. M.
 At Sea Thursday, Oct. 1st.
 Friday, Oct. 2d.
 Saturday, Oct. 3d.
 Sunday, Oct. 4th.
 Arrive New York Monday, Oct. 5th, 7:00 A. M.
 Total time of entire trip, 17 days.

Special "B."

VIA ST. LOUIS.

Saturday, Sept. 19th.

Leave New York 5:30 P. M.
 (Pennsylvania Railroad.)
 Leave Philadelphia 8:03 P. M.
 Leave Washington 7:00 P. M.
 Leave Baltimore 8:05 P. M.
 Leave Harrisburg 10:40 P. M.
 Sunday, Sept. 20th.
 Arrive Pittsburgh (E. T.) 4:35 A. M.
 Leave Pittsburgh (C. T.) 3:45 A. M.
 (Via Pennsylvania Lines.)
 Leave Columbus 8:50 A. M.
 Leave Indianapolis 2:15 P. M.
 Arrive St. Louis (Union Station) 8:25 P. M.
 Leave St. Louis 8:32 P. M.
 (Via M., K. & T.)

Monday, Sept. 21st.

Arrive Dallas, Texas 7:30 P. M.

Convention Sessions.

Tuesday, Sept. 22d, Wednesday, Sept. 23d, Thursday, Sept. 24th.

Texas Tour.

Friday, Sept. 25th, visit Fort Worth and Waco.
 Saturday, Sept. 26th, visit San Antonio.
 Sunday, Sept. 27th, visit Houston and Galveston.
 Sunday, Sept. 27th (Via G., H. & S. A., H. & T. C. and M., K. & T.)

Leave Galveston 9:35 P. M.
 Monday, Sept. 28th (en route).

Tuesday, Sept. 29th, arrive St. Louis (Union Station), 7:51 A. M. Leave St. Louis (Via Pennsylvania Lines), 8:44 A. M.

Wednesday, Sept. 30th, arrive New York (Pennsylvania Station) 1:45 P. M.

Chicago Special.

Full details regarding the special train from Chicago will be given in the next issue of the BULLETIN.

Stop-Over.

If sufficient number warrant it, the delegates need not remove their belongings from the train while in New Orleans.

Tickets.

Through tickets will be issued from starting place and return. There will be no need of having the tickets validated either at New Orleans or St. Louis.

Fares.

SCHEDULE "A"—Party Rate New York to Dallas, return by steamer (without Texas Circle Tour), \$66.33.

SCHEDULE "B"—Party Rate New York to Dallas, return all rail (without Texas Circle Tour), \$68.76.

PULLMAN—Rates and Fares from all Intermediate Points may be had Upon Application.

"One Hundred Golden Hours at Sea."

The rest and quiet of the ocean travel will be a fitting close to the convention trip. Needless to say, the eastern delegates prefer to return by steamer, but it is urged that even the Central States and Western delegates take advantage of this trip.

From New Orleans the steamer sails one hundred miles down the Mississippi River, then for a day on the Gulf of Mexico; through the Florida Straits and out on the broad Atlantic, arriving in the harbor of the Metropolis the morning of the fifth day. Truly "one hundred golden hours at sea."

New Orleans.

Listen! when we arrive Sunday morning, September 20th, the boys will meet us with automobiles, and we will tour the old French and Spanish quarters. We will then partake of a Creole luncheon at Spanish Fort. I don't know what a Creole luncheon is, but it sounds good. Another automobile ride through the modern section of the city, a boat ride on the Mississippi, then board the train and wend our way westward from this ancient and historic city, the home of the "Sazarak" cocktail, full of gratitude and good cheer.

Reservations.

Delegates wishing to return by steamer from New Orleans are advised to make their reservations as soon as possible. For rates, reservations, etc., write to M. W. Harrison, 336 Fulton Street, Brooklyn, N. Y.

Names of Delegates.

It is very important that the chapters send the names of their delegates to W. W. Spaid, Chairman, Transportation Committee, A. I. B., care of W. B. Hibbs & Company, Washington, D. C.

Dallas Announces Entertainment Program.

WILD WEST CARNIVAL.—Some of the best riders in the Southwest have been engaged for the broncho "busting" and steer-throwing contest which will be produced for the delectation of the convention delegates at the State Fair Grounds in Dallas on the first afternoon of the convention. This event will be preceded by an al fresco luncheon, consisting of Texas barbecued meats and other good things, which will be served at the Fair Grounds immediately following the adjournment of the morning session. The noted cowboy, "Booger Red," also the winner of the \$1,000 prize at last year's broncho riding contest, as well as numerous other masters of the art of "rough riding" and roping, will participate, and the convention visitors will be given a thrilling demonstration of Western pastimes as they really exist.

"SEEING DALLAS."—Five hundred automobiles will be placed at the disposal of the local committee for the purpose of taking the visitors and delegates on a sight-seeing tour of the city and its environs, following the open air exhibition at Fair Park. The route will lead through the residence sections, the various parks, including the Dallas Zoological Gardens, and other points of interest.

"NIGHT OF STARS."—This title aptly suggests the nature of the evening entertainment, which will probably be the star feature of the pleasure program. For this event a downtown theatre has been engaged, where an all-star cast of A. I. B. vaudeville artists will stage an elaborate program of seven or eight acts, consisting of music, dancing, and comedy. The personnel of this performance will be national in scope, as the performers are being selected from the larger chapters throughout the United States. Those who have already promised to participate are artists of such eminent ability and established reputation that the success of the undertaking is already assured. A majority of the acts have already been selected, but as the program has not yet been entirely completed the committee in charge of the affair requests that such talent of unusual merit as may be represented in the various delegations be reported to them at once, in order that they may not overlook anything good in the vaudeville line. The readers of these lines who happen to know of any "phenoms" in their chapter who will attend the convention, whether their specialty be dramatic, musical, or terpsichorean, are urgently requested to communicate at once with W. J. Evans, Box 962, Dallas, Texas, who is acting as scout for the entertainment committee.

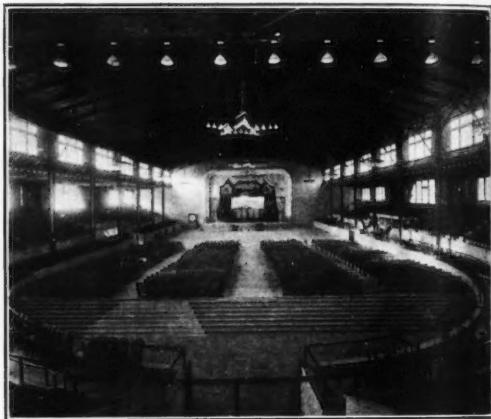
"MEXICAN COMMERZ."—Unique among the features offered by the hosts of this convention for the enjoyment of their guests will be this affair at the State Fair Coliseum. The evening will be given over to a jollification dance and supper, in which the predominating note will be the charming hospitality dispensed by the famous dark-eyed señoritas referred to in Congressman Sumners' speech at Richmond last year. Do you remember what he said? Well, here you will meet them, dance with them, and be served delicious Mexican dishes and refreshments by them. Although they perhaps have never seen Chepultepec Castle or Old Seville, being in fact the wives, sweethearts, and acquaintances of the Dallas Chapter men and their delegate guests, yet the music, costumes, and refreshments will faithfully carry out the Spanish idea. It is said that those who miss the "Mexican Commerz" (a phrase coined especially for the event) will do so to their everlasting regret.

TANGO PARTY.—On the last night of the convention the delegates and their ladies will be entertained with a dance at the beautiful home of the Dallas Country Club. This event is planned to be a fitting climax to the round of gaiety and pleasure that will mark the local entertainment program.

SPECIAL PLANS FOR VISITING LADIES.—The local entertainment committee announces that

Dallas will bend every effort to make this convention eclipse all previous gatherings in the enjoyment afforded to the ladies who accompany the various delegations. A Ladies' Committee has been appointed, whose business it will be to see that every minute of the time spent by our feminine guests in this city is thoroughly enjoyed. The assurance is given that their comfort and pleasure will be given constant attention and at no time will the program for their entertainment be allowed to drag or time grow heavy on their hands. It is earnestly hoped that a record-breaking number of ladies will make the trip to the convention.

Among the special features provided in honor of the visiting ladies will be the following (dates and places to be announced later): A "Get-acquainted" Reception; musicale and luncheon in palm garden of a local hotel; tour through shopping district; reception tendered by ladies of Dallas at Lakewood Country Club; theatre party. These special attentions to the ladies are being planned, of course, in addition to the regular entertainment provided for the convention as a whole, it being understood that the ladies will enjoy their full share of the latter. As a rule,



CONVENTION HALL AT DALLAS.

Texas enjoys delightful weather during the days of its "Indian summer." While the days are moderately warm and summer clothing will be in order, the nights are cool and pleasant.

Hotel Reservations and Rates.

Delegates are requested to make their reservations for rooms directly with the Dallas hotels at the earliest possible date. When the time for the convention arrives, the various hotels will furnish Dallas Chapter A. I. B. with an alphabetical list of the names of delegates who have reserved rooms. Room numbers will be noted opposite the names. Copies of these lists will be taken by Dallas Chapter Train Committees, who will meet all incoming special trains some distance out from Dallas, and, with the aid of these lists, will tag all baggage belonging to those delegates for whom reservations have been made. These tags will show name of hotel and room number, and a duplicate tag will be handed to the delegates. This will greatly simplify the handling of baggage and the registration problem. Those delegates who fail to make advance reservations by mail will not, of course, be able to get the benefit of this convenient arrangement.

ADOLPHUS HOTEL: Rooms, one person, without bath, \$2 and \$2.50; one person, with bath, \$2.50 and \$5; two persons, without bath, \$3.50 and \$4; two persons, with bath, \$4 and \$7.

ORIENTAL HOTEL: Rooms, without bath, \$3 and \$3.50; with bath, \$4 to \$5, American plan; Euro-

pean, \$1.50 to \$3. Rates being same, single or double.

HOTEL SOUTHLAND: \$1.50 to \$2 per day without bath, and \$2 to \$5 with bath.

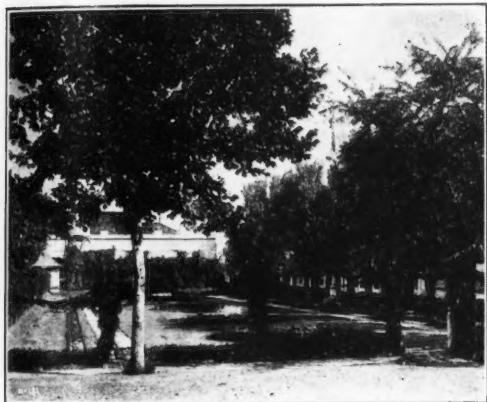
HOTEL WALDORF: Large rooms with bath, single, \$2; two or more persons in a room, \$1.50 each; without bath, \$1.50, or \$2 double. Also some small rooms at \$1 per day.

ST. GEORGE HOTEL: Single rooms, \$1, \$1.50 and \$2; double, \$2, \$2.50 and \$3.

The Oriental Hotel, which is right across the street from the Adolphus, will be registration headquarters for the convention. The Waldorf and Southland hotels are within two blocks, and the St. George within three blocks of the Adolphus and Oriental. The convention sessions will be held in a downtown theatre within a very short distance of the hotel headquarters.

That Circle Tour.

The best should always be last—and this time it is the Circle Tour. Every delegate should make arrangements to make the tour. Friday will be spent in Ft. Worth as the guests of the Ft. Worth Chapter, which is making arrangements to entertain the visiting delegates in their own inimitable Western way.



SUNKEN GARDEN AT DALLAS.

After leaving Ft. Worth, the next city visited will be San Antonio. Secretary Ferguson, of the San Antonio Chapter, says he wants every man and all the ladies to be on hand Saturday, September 26th. He also says, "Make your hour for leaving as late as possible." San Antonio is one of the historic cities of Texas and is noted for its Mexican and Spanish atmosphere, it being what is considered by Texans a border city, on account of the numerous Spanish customs and trade conditions in its business life. The details of the San Antonio entertainment have not been reported by the committee, but it is not hard to imagine that the enterprising bunch, under the auspices of the San Antonio Clearing House Association, will go so far as to have our warlike friends, Pancho Villa and Carranza, stage a three-reel battle with General Maas of the Federal Forces of the "Iron Man," Huerta.

The next stop will be at Houston, the enterprising and up-to-date Magnolia City at the head of the deep-water navigation on the Houston and Galveston ship canal. Houston Chapter has planned to show the delegates the time of their lives. They are famous for delivering the goods.

And again, last but not least, we come to Galveston, the Bay City, with its palms and oleanders, where, as Treasurer Hoopes of the American Bankers Association says, "The crowd will have a chance to clean up." He promises to see that all are properly scrubbed. Galveston can boast of as fine surf bathing as can be found in the world, and no delegate can

afford to miss the opportunity of seeing what the Texas Coast offers in the way of beach bathing. The State is proud of the enterprising city, which, sphinx-like, arose from the devastations of flood and fire and has fought back the sea with an immense sea wall at the cost of millions of dollars.

Tickets for the Circle Tour must be bought after arrival in Dallas, as it is impossible to have the railroads arrange to sell transportation for these special trains at the time the delegates purchase tickets in their respective cities. Each delegate should buy his transportation to Dallas and return by whatever route he desires. Arrangements are being made for the validation of tickets at any point along the Circle Tour. The delegates can therefore stop off and return home at either of the points desired.

To delegates holding tickets to Dallas and return direct the cost for the Circle Tour will be \$14.30. To delegates holding ticket to return by way of Houston or New Orleans the cost will be \$11.90. This is on the basis of lower berth for Pullman. Upper berth will be \$1 cheaper. All arrangements, including ticket purchases and reservations, will be made after delegates arrive in Dallas. Address all communications to M. B. Keith, Chairman, care of Security National Bank, Dallas, Tex.

ALBANY.

By Alfred L. Taylor.

WE have just come to the test of the year's work in the law course. All who have intended to try the examination have been working hard in reviewing what has been taught to us by our teacher, Lewis R. Parker. Mr. Parker is a member of the firm of Hun & Parker, an instructor in negotiable instruments in the Albany Law School, and one of the most prominent legal instructors in this part of the country. For two weeks a thorough and careful review was made of everything we had had over in the past year, and all felt that if hard work counted for anything, we ought all to pass.

The examination was held Friday evening, June 19th, in the Albany Law School, that dignified though ancient edifice that has seen the beginning of the legal life of some of our most eminent jurists. President McKinley was graduated from this school; so you see we were enclosed within walls that should have been an inspiration to our thoughts. The following are those who passed: John C. O'Byrne, Alfred L. Taylor, Mills Ten Eyck, George Wilkinson, Leo K. Fox, Samuel Applebaum, Clifford J. Beckett, Herbert J. Kneip, P. Raymond Krause, James McCabe, Raymond Roos, Edward Boice, Edwin M. Corrie, Harley J. Hotaling, Sherburne Morrill, Harry Smith, and Julius Hacker. It is worthy of notice of how careful and thorough has been the work that all passed who tried the examination. Of the seventeen who passed the examination of the law course, fifteen are entitled to the diploma of the American Institute of Banking, having successfully completed the full two years' course.

The hard work of the past season will soon be forgotten in endeavors to enjoy to the utmost the benefits of the out-of-door air and in healthy recreations. The call of the tennis court, the baseball diamond, swimming pool, and boating on the river will be ever present and the recuperation of vigor and health will be in progress for renewed onslaughts on the work of the coming season of 1914-15.

But while the member is enjoying himself, it behooves the officer and his executive committee to give a thought now and then to the program for the next year, so that the work to the member will go on without a break, as if there had been no vacation and no change in the line of officers.

With us this is a crucial year, as we have been over the course once, and the question whether it will be to the best interests of the chapter to endeavor to go over the course again for the benefit of those who have not taken up this line of study, or to go ahead with more advanced work and hold the attention of those who have progressed with the chapter, or to try and do both of these phases of the work.

The prospects are, however, in spite of this

dilemma, exceedingly bright, as it is the intention of the officers of the chapter to bring to Albany some of the most brilliant men in banking and financial affairs in this country.

The enthusiasm of the members is sure to increase, and it is of no small item at this time, when it is shown what can be accomplished by those who stick and persevere. We are now entering on the third year as a chapter of the American Institute of Banking, and we have fifteen members entitled to the diploma of the American Institute of Banking for efficiency in the course, and two of the members have become officers in National banks.

Our delegates to the Dallas convention are earnestly and enthusiastically looking forward to a very enjoyable and profitable time, and grasp all the items of news and hints that come their way that will tend to prepare them to take advantage of every opportunity offered for the accomplishment of the same. As some have been to other conventions of the chapters, there will be, no doubt, some happy reunions.

BALTIMORE.

By Frederick O. Scherf.

AMOST successful season has just been closed and plans are now being formulated for a better one next fall and winter. In keeping with our interest in chapter work in general we are preparing to send a large delegation to Dallas. The following officers were elected to serve for the ensuing year: Albert N. Smith, President; Henry W. Franz, Vice-President (deceased); Benj. H. Heath, Treasurer; C. Walter Katenhamp, Secretary.

In the death of Henry W. Franz, of the Eutaw Savings Bank, Baltimore Chapter has lost one of its most promising members. Mr. Franz succumbed to typhoid fever. He had just been elected Vice-President of the chapter, was an important member of our debating team, and thoroughly interested in all chapter work. His character was clean, his disposition genial, his conduct courteous, and we all regret his loss. Our hearts are full of sympathy for his relatives and friends.

BOSTON.

By H. A. Yeames.

WE have now come to that season of the year when most of our members are busy with their vacation plans and Institute work is forgotten for the time being at least. This is not true, however, with regards to our administrative staff. President Bryant has already appointed his various committees, and they are now busy formulating plans for the coming active season which we shall endeavor to make the most successful that Boston Chapter has yet experienced.

Gordon E. Musselman, of Lee Higginson & Co., is chairman of the all important Educational Committee, and we understand he has plans under way for a distinctly new departure in our educational course. He is also busy as transportation agent, making arrangements for those of our membership who are anticipating the trip to Dallas in September. As convention time approaches we have no doubt that we shall be able to announce a good-sized delegation ready to march on to Dallas.

Our Publicity Committee this year is to be in charge of George S. Bartlett, of the Boston Five Cents Savings Bank, and his previous experience with newspaper work will assure us good service for the coming season. This committee is also to look after all printed matter issued during the year, and thus save duplication of notices to members.

Charles A. Rouillard, our second Vice-President, will be chairman of the Meetings Committee, and we can safely depend upon him to provide us with instructive and entertaining programs for the various social evenings through the fall and winter months.

The Legislative Committee, headed by Clarence A. Rathbone, of the Merchants National Bank, will find a large field for their efforts during these times of excessive activity among the law makers of the State and nation.

Leonard L. Titus, one of our charter members and our first chapter secretary, has left Boston to fill the position of cashier of the City National Bank of Holyoke.

CHATTANOOGA.

By Carl G. Smith.

THE Tennessee Bankers' Association held its annual convention in Chattanooga the latter part of May, and the local chapter was afforded an opportunity of attending some of its meetings, both business and social. Quite a number journeyed to the top of Signal Mountain to attend the final function given at the inn where a supper was served, followed by a ball.

Our election was pulled off May 27th, and a right merry election it was, too, everything being in doubt until the ballots were counted. The officers elected were as follows: J. V. Holdam, President; J. E. Harris, Vice-President; F. J. Donavan, Secretary; L. H. Potter, Treasurer Board of Governors: E. Lee Smith, H. T. Shelton, J. H. Brotbeck, W. E. Harrell, F. J. Miller, E. J. Crowe, C. W. Tomlinson.

J. E. Harris, Harold Shelton, E. E. Kirkpatrick, C. W. Tomlinson and Carl G. Smith were elected delegates to attend the Dallas Convention of the A. I. B. T. R. Durham and wife will also attend from here, Mr. Durham being on the Executive Board of the National Convention.

On the night of the election T. R. Durham was given a vote of thanks for his work with us the past year. E. Lee Smith, the retiring president, was also given an ovation.

The new officers are already laying plans for next year's work. They intend carrying on a campaign during the summer months when everything else is quiet.

CHICAGO.

By Guy W. Cooke.

THE annual chapter election was the closest and most interesting held since that memorable one in which Fred Ellsworth and George Jackson ran to a tie vote. There was a contest for every office but one, and the final poll showed but few votes difference between candidates. Seven hundred and ten ballots were cast, the largest by far in the history of the chapter, and the details in connection with the election were handled in a superior manner by the election committee under chairman Robert I. Simons. John W. Gorby received 372 votes and David Johnstone 336 in the race for the presidency, and the other contests were similarly close.

Following are the new officers and the Executive Committee for the next year: John W. Gorby, President; Wilbur W. Walton, Vice-President; Harold W. Held, Corresponding Secretary; A. L. Gillett, Financial Secretary; Wilbur K. Lyle, Treasurer.

Executive Committee: Guy Wickes Cooke, 1915; Thomas J. Nugent, 1915; Chas. F. Sommers, 1916; Joseph J. Schroeder, 1916; Adolph Florene, 1917; George A. Malcolm, 1917.

Delegates to the National Convention at Dallas, Texas, from this chapter follow: Continental & Commercial National Bank—John J. Allen, V. R. Anderson, P. V. Barth, Chas. L. Beers, Chas. S. Elkington, Geo. A. Hancock, David Handler, John F. Hein, C. F. Meredith, Corn Exchange National Bank—Joseph H. Burton, H. W. Jordan, C. A. Peterson, Hugh J. Sinclair, Cutler, May & Co., George F. Engstrom, First National Bank—Fred W. Allen, Harry Boyle, Harry Carlson, James E. Hull, Oscar J. Kuhn, Carl E. Schiffner, Mark E. Trumbull, First Trust & Savings Bank—William K. Harrison and J. E. Patterson, Fort Dearborn National Bank—Arthur W. Lander, Harris Trust & Savings Bank—George W. Ahrensfeld, Live Stock Exchange National Bank—Myron G. Goldberg, Illinois Trust & Savings Bank—Wm. H. Ohr and Carl Otto, Merchants Loan & Trust Company—Frank M. Day, H. J. Sampson, Henry B. Tesmer, National Bank of the Republic—Joseph J. Schroeder, National City Bank—Ray V. Kelley and Owen V. Van Camp, Northern Trust Company—Thomas F. Ford and C. A. Edmonds, Northwest State Bank—

INCLUDING BULLETIN OF THE AMERICAN INSTITUTE OF BANKING

Frank W. Housmann, State Bank of Chicago—Henry A. Boese, Union Trust Company—Rollin M. Coleman and Chas. B. Petersen.

With a membership of something over 1,200, Chicago is entitled to an even half hundred delegates, and will probably have a full representation, or nearly so. As quite a number have signified intention of taking the trip, including some of the stalwarts of former years, the chairman will have good material to fill vacancies.

The campaign lasted several weeks and many original ideas in the shape of pluggers were used to give publicity to enterprising candidates, and the Bank Man profited considerably by political advertising. It was a rousing, enthusiastic and exciting campaign from start to finish.

Following the close of the polls the general meeting was devoted to a smoker and stag and between the several vaudeville acts reports of the officers and committee chairman were submitted. From President Nugent's summary of the year we quote:

"As I come to the end of my year's service as your president, I am conscious of the signal honors conferred on me and the support and encouragement always accorded me. Whether or not I have discharged my duties acceptably must be determined by those who have been active in the affairs of the chapter, and are, consequently, in the best position to judge. I have endeavored always to do my duty as I saw it, and hope my efforts toward the advancement of our organization have not been in vain.

"Most of the details of the year's work will be submitted to you to-night by the committee chairman, and I am not going to bore you with repetitions. I should like to elaborate on the work of each committee and tell you of the good steady plugging each has done, and also to thank each individual chairman and member, but I feel that results speak louder than mere words, and I believe that those who accomplished these results know my feelings of gratitude toward them. I can only reiterate what I have said before, 'that never before has a president of Chicago Chapter been blessed with such a body of hustling, energetic, intelligent co-workers as I have, and I sincerely thank the officers, executive committee, chairmen, and members of the various committees for all they have done toward this year's success.'

"What I desire to say to-night may not have a direct bearing on our immediate wants, desires, and hopes, but looking at it from the proper focus it has all to do with the future progress and ultimate position of the Institute. The organizers and the men who have for years directed the affairs of the national body and the American Bankers Association, of which we are the educational section, realize the power that a body of men trained in the theory and practice of finance can exert toward the advancement of sound banking principles. But greater than all this is the fact that the United States Government has recognized that we have men in our ranks who are experts in their profession—men capable of advising and giving counsel on legislation that has to do with the peace and prosperity of this nation. When the Currency Committee of the U. S. Senate was considering the Glass-Owen Bill, three prominent A. I. B. members were called. Newton D. Alling, former president of the Institute and also of New York Chapter, gave testimony in regard to 'Reserves against Federal Reserve Notes,' and his testimony may be found in Volume 1 of the Banking and Currency Hearings, pages 406-456.

"Joseph Chapman, of Minneapolis, often spoken of as the 'father of the Institute,' testified before the Committee on the subject of 'Rediscounts' and his testimony may be found in Volume 1, pages 187-192.

"Fred I. Kent, first president of Chicago Chapter and an organizer of the Institute, testified on the subject of 'Foreign Exchange and Gold Supply.' His testimony is in Volume 3, pages 2977-3002.

"At the present time several of the younger chapter men in the East are devising a plan for the actual operation of the Federal Reserve Banks—suggesting ideas for the handling of transit items and the transfer of funds.

"Another idea, which I believe originated wth

President Dreher, is the training of bank men as speakers on banking subjects that will appeal to the rank and file of the general public—topics that will teach the people the true principles of banking so that we will have fewer spectacles of plumbers, grocerymen, doctors, etc., taking deposits and closing up.

"Such is my idea of real Institute work, and we as a chapter should keep in closer touch with the National organization and be guided by the ideas instituted. We are not, and it never was intended that we should be primarily a social organization, and I hope for the day when a large membership is not requisite, when our motto is 'not more men in the chapter, but more men in the chapter work,' more men of stable opinions willing to give serious thought to the solving of the various problems and the confounding of the fallacies connected with our profession.

"In conclusion I want to say that I shall ever cherish the memory of our pleasant association together and hope that it will ever continue. Permit me to again express my deepest gratitude to everyone for their loyalty, devotion and effort."

Figures as a rule are uninteresting, but to briefly review the work of the past year the tabulated reports of the secretary and the treasurer serve the purpose more concisely than is possible in words, and are presented:

Financial Secretary's Report.

Chapter Dues for the year 1912-13, received after the books were turned over by former Financial Secretary	8.00
Chapter Dues for the year 1913-14.....	3,833.00
The Bank Man, 3 subscriptions at \$1.00 each	3.00
27 Chapter Headquarters keys at 25c. each..	6.75
3 Chapter Pins and Buttons at \$1.00 each..	3.00
	\$3,853.75
Remitted to Myron D. Goldberg, Treasurer..	\$3,719.00
Checks herewith	134.75
	\$3,853.75

Treasurer's Report.

Chicago Chapter American Institute of Banking,
May 26, 1914.

Receipts.

Athletics	\$ 12.39
Banquet	45.55
Dues	3,716.00
Debate	54.00
Education	418.50
Entertainment	2.50
House	292.06
Show	4,129.35
Bank Man	506.24
Interest	31.28
	\$9,207.87
Received from last Adminstration..	1,216.35
	\$10,424.22

Disbursements.

Athletics	\$ 5.15
Banquet	201.50
Convention and per capita	110.80
Dues	3.00
Debate	210.80
Education	990.39
Bulletin Subscriptions	921.00
Entertainment	504.40
House	1,979.92
Printing, Post, and Stationery	167.49
Show	629.35
Bank Man	1,297.15
General	45.68
	\$7,120.63
Cash on Hand	3,303.59
	\$10,424.22

Optimistic Chicago looks confidently forward toward bigger things next year; not only looks, but

even during these days when the much-wanted lake breeze is a minute quantity, committees are at work to make 1914-15 the banner year of our organization.

DAYTON.

By Herbert E. Whalen.

SINCE last heard from Dayton Chapter has been doing things, in fact the members have been so loyal and active and have worked so earnestly that the chapter's future looms up very brightly. As a climax to a most successful year, the officers, with the hearty co-operation of all the members, staged the "Banker's Frolic and Musical Review," which was a success beyond all anticipation. Under the able direction and coaching of William (Billy) Broad, a headliner with Field's Minstrels for some years past, the members worked day and night, and too much cannot be said for the spirit that manifested the entire undertaking. The program was well rendered and proved very interesting to the large audience that filled Memorial Hall. The big features of the evening were the "Double Quintet," which was applauded time after time, together with the closing playlet, entitled "Southern Pastimes."

The scenery and costumes were of the finest, and all in all the production surpassed all expectations. As a souvenir of the occasion the chapter distributed a handsome "Year Book," which contained the evening's program, a review of the work accomplished during the past year, a brief sketch of the latest banking legislation, and a number of cuts of the officers, directors, and active workers of the chapter.

Quite a neat sum was realized from the advertising in our "Year Book," and this, together with the seat sale, netted a very handsome amount to turn into our treasury.

It is now the aim and ambition of our chapter to establish, as soon as possible, club rooms and a library for the members, in order to bring about better fellowship and recreation. A committee is now busy endeavoring to make this a reality and will report as soon as possible.

The annual election of officers took place at the meeting held May 13th, the following being sworn into office: Fred W. Hecht, President; T. J. Brinkmeyer, Vice-President; L. Van Dine, Secretary; R. L. Wilson, Treasurer; and W. G. Davidson, Board of Governors, for three years. Aside from this nothing of importance was transacted, the remainder of the evening being given over to a minstrel rehearsal. In reviewing the year's activities, too much praise cannot be extended to our retiring officers, who worked so earnestly, especially our President, B. B. Brady, through whose efforts the chapter experienced the most successful year of its existence.

DENVER.

By Marsdon E. Weston.

AT no time since the organization of Denver Chapter six years ago have the bankers of this State evinced so much interest in the efforts of chapter men here as was shown at the State Convention last week in Colorado Springs of the Colorado Bankers' Association. Denver Chapter has been a Section of the Colorado Bankers' Association about five years, and this relation has stimulated considerable enthusiasm among local bankers in the educational work of the A. I. B. However, it has been difficult at the conventions of the Colorado Bankers to maintain the attendance at the Chapter Section meeting which was in evidence at the regular sessions, and so the Convention Committee for the Chapter Section set out to arrange a program which would attract a larger attendance. They decided that instead of limiting the program to chapter members, as has been the custom, they would in addition invite prominent bankers to speak.

This proved to be the solution of the problem. Gordon Jones, President of the United States National Bank of Denver, spoke on "Prospective Rural Credit National Legislation." Mr. Jones, who is one of the few authorities on this subject, spent several months in Europe last year as a representative of the United States Government studying rural credit sys-

tems there. Theodore G. Smith, Vice-President of the International Trust Company of Denver, delivered an address setting forth the great benefits accruing to the banker and to the clerk alike from the educational work of the A. I. B. G. A. Askling, of the First National Bank of Denver, a member of Denver Chapter and its retiring member on the Executive Council of the Colorado Bankers' Association, followed with a history of the work of Denver Chapter and an appeal to organize the educational work in the cities and towns of this State.

The meeting was presided over by Sever Daley, President of Denver Chapter, who briefly referred to the work which will be undertaken during the coming year. In addition to the regular courses in Banking and Economics and Commercial Law, his administration will install the Post-Graduate course which has been developed by the Institute, a course in English and Rhetoric, and a Forum will be conducted. President Daley also proposes to organize an Institute Lecture Extension, drawing entirely from the chapter for talent.

The Annual Banquet, which was held at the Shirley Hotel last week, and which was the occasion for the installation of new officers, was a brilliant affair. R. M. Crane, the retiring president, was toastmaster, and proved his great ability as an entertainer, and furnished another striking demonstration that for the greatest tasks incident to chapter functions, the chapter need not look beyond its membership. Mr. Crane reviewed the work of last year, and was followed by an address by Sever Daley, the new president, who pointed, with inspiration to those present, to Denver Chapter's future. The brilliancy of this occasion was greatly added to by three eminent citizens of Colorado: former Governor Alva Adams, of Pueblo; Mayor J. M. Perkins, of Denver; and Dr. Livingston Farrand, President of the University of Colorado.

Governor Adams spoke briefly of the system of credit, and emphasized the great responsibility of the banker to his community. Dr. Farrand, who is a well-known educator, pleased his listeners with his humor, and referred seriously to the work of education carried on by the A. I. B., commending it in strongest terms, and pledging the good offices of his school to the co-operation with Denver Chapter in its work. Mayor Perkins' interpretation of James Whitcomb Riley was intensely entertaining, so vividly did he portray Riley's characters that he was called back to his feet repeatedly.

Chairman C. A. Land and his committee are to be congratulated upon the success of this banquet, and it is to be remembered that the presence of the fair sex illuminated this happy occasion.

DETROIT.

By Fred. D. Greig.

THE year just closed has been an exceptionally successful one, educationally as well as socially, for Detroit Chapter, much credit being due the retiring President, Mr. James P. McHugh, for his untiring efforts and unselfish devotion to the interests of the chapter.

The Annual Election held May 27th was well attended and proved to be one of the most spirited and interesting elections ever held. The officers elected for the ensuing year were: President, Jos. J. McGrath, Peninsular State Bank; Vice-President, Albert J. Stocker, Peoples State Bank; Recording Secretary, Leo D. Heaphy, Peoples State Bank; Corresponding Secretary, Fred. D. Greig, Union Trust Company; Treasurer, Earl W. Alles, Peoples State Bank.

The following members were elected to the Board of Governors: J. W. Baldwin, Dime Savings Bank; Eugene J. Flemming, Wayne County & Home Savings Bank; James H. Harper, First & Old Detroit National Bank; Frank J. Maurice, The Peoples State Bank; Henry J. Bridgman, First & Old Detroit National Bank; S. J. Giffin, National Bank of Commerce; L. C. McConnell, Peninsular State Bank; George D. Smith, The Peoples State Bank.

Joseph J. McGrath, our newly elected President, has, in the past, made great sacrifices of time and energy in behalf of the chapter, and under his capable and energetic leadership, the men who have been chosen to direct the policy of the organization have determined to do their utmost to make this a banner year, and to materially increase the membership.

The ever-popular annual stag boat ride took place Friday, June 19th. A landing was made at the St. Clair Flats, where a substantial dinner of frogs' legs and fish was served. Excellent entertainment was provided and a jolly good time was enjoyed by 200 jolly, good-natured bank men.

We are now looking forward to Wednesday evening, July 15th, when the chapter "Moonlight" takes place. The steamer "Put-in-Bay" has been chartered for this occasion, an annual affair, which has always been popular with our members and their ladies.

While it is the aim of the new administration to keep things moving socially, educational features will not be permitted to lag, and with this end in view, Charles A. Kinney, whose ability, experience and enthusiasm so amply qualify him for the place, has been chosen to head the Educational Committee. Those appointed chairmen of the other standing committees are: Entertainment, W. H. Farr; Publicity, Fred. D. Greig; House, R. M. Harris; Membership, Earl W. Alles.

Delegates to the Dallas Convention will be elected at a general meeting to be held in July.

DULUTH.

By R. W. Callan.

THE Duluth Chapter has completed its law course for this season; although the attendance has not been very large, great interest was shown by those who took up the study, and all who attended regularly received their diplomas. At our last meeting eleven new members were taken into the chapter and we hope to have a larger class when our fall term opens. On Thursday, May 7th, the chapter held its annual election of officers at the Wa Pse Ke Cabin on Lester River.

The following officers were elected for the coming year: John L. Evans, President; Joseph P. Chapman, Vice-President; R. H. Magie, Second Vice-President; Erling Shursen, Treasurer; R. W. Callan, Secretary.

Willis Putnam, of the First National Bank, was nominated as delegate to the National Convention this coming summer.

FORT SMITH.

By Sam B. Stevenson.

FORT SMITH CHAPTER held its annual banquet in the private dining room of the Goldman Hotel on May 26th and was well attended in spite of the inclement weather. During the course of the evening the following addresses and talks were given: Ernest Penning on "Harmony Between Bank Employees"; C. B. Herbert on the "Federal Reserve Act"; G. C. Hardin, "The Banker and the Lawyer." Mr. Hardin has been conducting the class in Commercial Law during the past year, he being one of Fort Smith's most promising young attorneys. The class has profited a great deal by his able instruction.

Seven of our students took the examination in Law, and they are very anxious to learn whether they were successful.

Although the delegates to the Dallas Convention have not as yet been elected, it is certain that Fort Smith Chapter will have a full delegation present. The average attendance of Fort Smith Chapter was better than it has ever been before, and our bank officials have given us great encouragement by both moral and financial support. While the chapter has not had a regular letter to the BULLETIN it has grown, and is looking forward to next year's work.

The following officers were elected to conduct the affairs of the chapter next year: C. B. Herbert, Pres-

ident; Harry Jackson, Vice-President; E. D. Boone, Secretary; Joe Leming, Treasurer.

HARTFORD.

By Calvin C. Bolles.

HARTFORD CHAPTER'S new administration "put one over" on the skeptical ones when they made a huge success of the second Annual Banker's Theater Party at Parson's Theater on June 16th. The renowned Richard Carle presented himself in a brand-new musical comedy entitled "The Red Fez," backed by the Lyric Players. The entire audience, and a tremendous audience it was, was made up of the chapter men and their guests. The committee that so successfully handled all arrangements, advertising and sale of tickets, was headed by President Geo. F. Kane, assisted by Wilbur F. Lawson, Calvin C. Bolles, Clarence T. Hubbard, Edward R. Barlow, Charles A. Lillie, and Arthur H. Cooley.

Our chapter will send a good delegation to the National Convention at Dallas in September. To date, seven of the "live wires" have made up their minds to enjoy the delightful entertainment that the Dallas boys are offering as a drawing card. Those men who find themselves unable to resist the temptation to visit the land where "Dark-eyed Senoritas and Famed Texan Hospitality" so cordially invite their coming are: Geo. F. Kane, Society for Savings; Calvin C. Bolles, State Bank & Trust Company; Clarence T. Hubbard, Security Trust Company; Victor I. Neilson, Riverside Trust Company; Harold A. Alvord, Manchester Trust Company, of South Manchester, Conn.; Henry H. Pease, Hartford Trust Company, and Arthur H. Cooley, Security Trust Company. Hartford intends joining hands with the other Eastern chapters in partaking of the good times that New Orleans so generously offers for the delegates on Sunday, September 20th, when the Banker's Special will make a twelve-hour stop.

The final examinations in banking and law have been successfully weathered by the following men in banking: Arthur D. Johnson, of the Phoenix National Bank, and Earl C. Young, of the Hartford Trust Company. The law examination showed eight men who passed: Calvin C. Bolles, State Bank & Trust Company; Wilbur F. Lawson, First National Bank; Wilbur S. Sherwood, Connecticut Trust & Safe Deposit Company; Allen H. Newton, of the same bank; Earl W. Outtrim, of the Hartford National Bank; Edward R. Barlow, Fidelity Trust Company; Fred. F. Fisher, Connecticut River Banking Company, and Harold A. Williams, of the Middletown Savings Bank. Several of the above men had already passed the banking examination, and so won the Institute Certificate.

This year finds five men holding the Certificate: Arthur H. Cooley, Fred. F. Fisher, Earl W. Outtrim, Arthur D. Johnson, and Calvin C. Bolles.

The Board of Consuls for the 1914-1915 year is now complete. The first board meeting was held on June 9th at the new City Club. Victor I. Nelson was elected clerk.

Hartford Chapter will be heard from in the near future in support of her candidate for the National Executive Council of the A. I. B., Arthur H. Cooley of the Security Trust Company.

MILWAUKEE.

By R. A. Martin.

MONDAY evening, April 27th, the following officers were elected by Milwaukee Chapter for the year 1914-1915: President, F. E. Bachhuber, Marshall & Ilsley Bank; Vice-President, A. J. Salentine, Wisconsin Trust Company; Treasurer, Charles G. Lawler, Marine National Bank; Secretary, W. A. Teipel, Merchants' & Manufacturers' Bank; Librarian, H. W. Roehr, First National Bank. Directors: A. G. Casper, First National Bank; R. A. Martin, Second Ward Savings Bank. Delegates to

the Dallas Convention were selected as follows: C. G. Lawler, Marine National Bank; Edward Schranz, First National Bank; A. E. Glaser, Marshall & Ilsley Bank; F. E. Bachhuber, Marshall & Ilsley Bank; R. A. Martin, Second Ward Savings Bank; A. Rieloff, Wisconsin National Bank; Neal Kellogg, German American Bank; Paul Dietz, Germania National Bank; T. E. Lusk, Merchants' & Manufacturers' Bank; A. J. Salentine, Wisconsin Trust Company; W. G. Jones, Randolph, Wis.; A. B. Froehlich, Jackson, Wis.; A. H. Jensen, Edgerton, Wis.; W. O. Shimp, Watertown, Wis.; H. H. Eßer, Hartford, Wis.

The first annual picnic of Milwaukee Chapter was held Saturday, June 13th. A drizzling rain held down the attendance, but those present reported a very pleasant time and hope for better weather conditions next year.

It gives us great pleasure to announce the promotion of E. J. Hughes from Assistant Cashier to Vice-President, and A. G. Casper to Assistant Cashier, both of the First National Bank. Mr. Hughes and Mr. Casper are charter members of Milwaukee Chapter and have long been active in chapter work.

The examinations in law and banking resulted in six new certificate holders, making a total of thirty-one graduates in Milwaukee.

NEW ORLEANS.

By Raoul Prudhomme.

NEW ORLEANS CHAPTER has just experienced a month of unusual activity, the same causing a great increase in chapter enthusiasm and producing a condition which promises well for the future. The primary cause of this state of affairs was due to the pre-election campaign for the various chapter offices for the forthcoming year. There being two tickets in the field, each with its own campaign committee, the contest was naturally a spirited one. It was featured by the good-natured rivalry existing between both parties, which with the circulation of campaign literature gave it all the aspects of a regular political campaign with none of its bitterness. The election was held May 30th at the chapter rooms, the polls being open from 3 to 5 o'clock. The Balloting Committee reported a very closely contested election, the following gentleman being returned the winners: W. F. Mulledy, President, Canal Bank & Trust Company; Jos. J. Farrell, Vice-President, Hibernia Bank & Trust Company; Raoul Prudhomme, Secretary, Canal Bank & Trust Company; Felix Lloveras, Treasurer, City Bank & Trust Company, Board of Governors; L. P. Banchet, Hibernia Bank & Trust Company; F. F. Michon, Whitney Central Trust & Savings Bank; W. D. Parham, City Bank & Trust Company; J. J. Plauche, New Orleans National Bank.

On the night of the 30th, immediately following the election, the chapter entertained at its Annual Banquet at the Cosmopolitan Hotel, where over 125 banks and bank clerks gathered to enjoy the very delectable menu spread before them. This year's banquet eclipsed all former efforts, its success being in large measure attributed to the effective work of the committee in charge, under the chairmanship of I. L. Bourgeois, of the Hibernia Bank. A very attractive feature was the unusual menu card presented to each diner, the same being made into the form of a miniature bank ledger. This handsome little souvenir elicited much favorable comment from all present.

The toastmaster of the evening was L. E. Bentley, Special Deputy Commissioner of Customs, who had grouped around him at the Speakers' Table a number of men prominent in the civic life of New Orleans, who spoke interestingly on the various subjects allotted them. A feature of the evening was the very comprehensive speech delivered by Robt. Guerard on "Port Development." Another speech of especial interest to those present was that delivered by L. M. Pool, Vice-President of the Hibernia Bank & Trust Company, who spoke on "Bank Legislation," particularly with reference to the Guaranty of Bank Deposits. Mr. Pool is a great friend to the

bank clerks, enjoying amongst them much personal popularity and his remarks were highly appreciated and warmly applauded.

During the course of the banquet the toastmaster announced the result of the election of officers, each name being greeted with a round of applause. The newly elected President, W. F. Mulledy, in a very able and concise manner outlined the policies of his administration, laying special stress upon the educational features presented by the chapter. The chapter is to be congratulated upon having secured such an able man as Mr. Mulledy to steer it through the coming year, he having been prominent in chapter activity for the past six years.

The next gentleman called upon was R. E. Byrne, Chairman of the Educational Committee, who reported the following men as having successfully passed the examination in the law course: C. A. Lamberton, Jr., J. C. Collins, F. F. Michon, J. H. Kepper, R. F. Junker, M. G. Bernados, S. S. Byrne, K. Baetjer, and J. E. Douglas; amongst whom Messrs. Lamberton and Michon, having already passed the examinations in Banking are entitled to the Institute certificate. Much of the success of this year's educational work is due to the untiring efforts of Mr. Byrne and the good work done by Prof. Robinson, of Tulane University, who conducted the classes throughout the year.

And last but not least we must record the speech of John Dane, the retiring President. Mr. Dane's administration has been an unqualified success, the membership having been materially increased and the chapter placed upon a firm financial basis. We can justly say that Mr. Dane is a chapter asset.

At a late hour the banqueters adjourned pronouncing the 1914 banquet the best ever and announcing their firm intention to be present the next time "us good fellows get together."

Attending the games of the Bankers' Baseball League is at present a very popular diversion for the bankers, each team being composed of bona-fide employees of the banks they represent. The race for the handsome silver loving cup is at present a very close one, the Whitney leading by a slight margin.

New Orleans chapter extends a most cordial invitation to all delegates to visit our city and partake of our hospitality en route to Dallas. We are waiting for you.

NEW YORK.

By Harold S. Schultz.

THE chief concern of the officers, and particularly of the publicity committee, at this time is how best to reach the men in the various banks in the city who we believe need to know of the good work which we are about to carry on for the next season.

In former years it has been the custom to simply publish Chapter Notes each month and to compile a year book which covers in detail all the information regarding New York Chapter. This year the committee has published a special vacation number of Chapter Notes, which consists of sixteen pages covering the achievements for the past season and outlining in brief the plans for the future. The names of all those who were successful in passing the courses and of those who in any way distinguished themselves in New York Chapter work during the year are given. It is the belief that this information will be extremely valuable to anyone who does not know the real value of New York Chapter's work. In addition to the names of the students, a list of banks is given, with the number of representatives that each bank has had during the year.

President Wolfe has appointed the following chairmen of committees of New York Chapter: Membership, Irving H. Meehan, Farmers' Loan & Trust Company; Finance, L. H. Ohlrogge, National Park Bank; Educational, P. B. Robbins, National Park Bank; Literature, George A. Kinney, Hamilton Trust Company, Brooklyn; Reception, John S. Creighton, Irving National Bank; Entertainment, C. F. Manchon, Union Exchange National Bank; Publicity, L. A. Mer-

shon, U. S. Mortgage & Trust Company; Speakers, Wellington E. Bull, Messrs. Swartwout & Appenzellar; Registration, P. M. Christie, Citizens National Bank, Englewood, N. J.

Our President, O. Howard Wolfe, has been much called upon during the past month or two by State Banking Associations and chapters of the Institute to make addresses on various features of the Federal Reserve Act. He reports that he often finds former New York Chapter men actively engaged in Institute work in other cities, many of them holding responsible positions. We understand that the presidents of both Jacksonville and Minneapolis chapters last year were former New York bank men. The impression seems to be abroad that the financial metropolis is the place that a good bank man will ultimately drift to, but it seems to us that New York is continually training men to take positions elsewhere. With bank consolidations going merrily on, we expect to see even a greater exodus. Well, fellow bankers in other cities and towns not having chapters of your own, apply to New York Chapter and we shall always be glad to recommend a good man for you!

Another of our out-of-town members who is winning distinction is E. L. Stewart-Patterson, of the Canadian Bank of Commerce of Toronto. Mr. Stewart-Patterson, who is a Fellow and has long been an honored member of New York Chapter, writes that he has just returned from London, where he was elected a Fellow of the British Institute of Bankers. This is a distinction well deserved, since he has been an authority on banking matters since many years. Mr. Stewart-Patterson is the author of one of the best practical text-books on Canadian banking methods and practices we have seen. Success to him!

OAKLAND.

By Theodore Jenkins.

OAKLAND CHAPTER, during the last year, is proud of the fact that twelve members who took the course in banking and finance passed successfully, as follows: Messrs. C. J. Crary, J. E. Smith, L. R. Smith, C. J. Shepard, C. T. Hoos, E. W. Genburg, P. S. Chamberlain, G. Kronschnafel, L. J. Yonce, F. Caudle, G. C. Pettigrove, and J. S. Killam. This course was most ably conducted by Mr. Morris Harrison and furnished by University of California. One of our oldest members, J. E. Smith, of the Union Savings Bank, who has always been prominent in Oakland Chapter work, we are pleased to learn, has successfully taken the examination for State Bank Examiner, held recently.

PITTSBURGH.

By H. C. Pearce.

ALTHOUGH chapter work for the season 1913-1914 has been completed, the spirit of energy is still strong with some of our members. On Tuesday, June 16th, F. A. Vanderlip, President of the National City Bank of New York, came to Pittsburgh on business and while here he was extended an invitation to address the Pittsburgh Chapter. A dinner was given in his honor at the Fort Pitt Hotel, at which place our meeting was held.

Mr. Vanderlip was introduced by Robert Wardrop, President of the Peoples National Bank. Mr. Vanderlip opened by saying that he would merely have a little conversation with the chapter members and would not make any formal address; he would be rather more willing to answer questions.

Mr. Vanderlip paid a great tribute to the American Institute of Banking, the educational work of which could not be too highly praised. Mr. Vanderlip went on to say that two years ago, he received a check from Mr. Stillman, of New York, for \$100,000 to be used whichever way he saw fit. He then asked the Board of the National City Bank for another \$100,000, which was granted. This amount was invested, and from such source he was pleased to say that the National City Bank had now a complete educational course, which was conducted by competent instructors.

Mr. Vanderlip further stated that bank clerks who wished to succeed to-day must do two things, viz., to be able to do practically two days work in one and afterwards to attend lectures or by some means form a systematic method of study.

With regard to the Federal Reserve Board appointed by President Wilson, Mr. Vanderlip said he was much pleased with the selection; he personally knew four of the five members and he could see no reason why the board should not be thoroughly satisfactory.

Mr. Vanderlip was given a hearty vote of thanks for his address, and it was gratifying to note the great spirit of cordiality which existed among the members toward the speaker and each other. Many of them remained for over an hour after the meeting, chatting among themselves and asking Mr. Vanderlip questions relating to the financial welfare of the country.

PITTSFIELD.

By Charles S. Shaw.

BERKSHIRE COUNTY CHAPTER, of Pittsfield, has just completed its second year. This season's work was uneventful, except from an educational viewpoint, for the law course seemed to require such close application on the part of those who attended the classes that no meetings were held except for the purpose of study. These meetings were held in the rooms of the Park Club, which has very kindly extended to the chapter members the privilege of using its quarters for these gatherings. After every other meeting the members were served with a buffet lunch in the club dining room and enjoyed informal discussions over their coffee. The average attendance at these meetings was between fifteen and twenty.

We have been fortunate in having the services of Judge Charles L. Hibbard as instructor in the law course. He is one of the ablest and busiest attorneys in Western Massachusetts and it meant no small personal sacrifice on his part to give us so freely of his time and energy. Judge Hibbard has always enjoyed great popularity among young men and his talks have been both interesting and instructive.

It is to be regretted that more of the chapter members do not see fit to take the examinations this year, nevertheless we feel that everyone who has attended the classes has picked up a great deal of general information which will be of use both at the present time and in the years to come.

The annual meeting was held on May 6th. After the usual routine business was disposed of, the election of officers was taken up. The following officers were elected for the year 1914-1915: President, Guy Crosier, of the Greylatch National Bank of Adams; Vice-President, Herbert E. Pritchard, of the Agricultural National Bank, Pittsfield; Treasurer, David B. King, of the Pittsfield National Bank, of Pittsfield; Secretary, Charles S. Shaw, of the Third National Bank of Pittsfield. Executive Committee: Arthur E. Kemp, of the North Adams National Bank, of North Adams; George R. Bull, of the Lenox National Bank, of Lenox; Clifford F. Martin, of the City Savings Bank, of Pittsfield; Raymond C. Sears, of the Agricultural National Bank, of Pittsfield; John Hainesworth, of the Berkshire Loan & Trust Company, of Pittsfield.

The annual banquet was held on the evening of June 4th at the Maplewood Hotel in Pittsfield, and George E. Allen, Educational Director of the Institute, and O. Howard Wolfe, Secretary of the Clearing House Section of the American Bankers Association, were selected as speakers. The banquet proved to be a very enjoyable affair. The Maplewood Hotel is well known to tourists as one of the finest summer hotels in New England, and Landlord Plumb enjoys a reputation, which lost none of its luster upon this occasion, of always serving the best of menus.

President Crosier presided and took the opportunity to thank the local banks for their generous contributions toward the chapter work, which has been aided materially by their attitude. He also

alluded to the good work of our ex-president during his two years in office and made a few fitting remarks in appreciation of the work of our instructor, Judge Hibbard.

George E. Allen was next introduced as the man who had done the most that has been accomplished by any one person to make the educational work in this country effective. Mr. Allen gave a most interesting talk along the line of the educational work of the Institute. He laid special stress upon the advantages of the study courses provided by the American Bankers Association and the opportunity which the young men have given to them to fit themselves for better positions in bank work and to fill their own positions more efficiently. Mr. Allen outlined the first year course, which we are to take up next year and which has been considerably changed owing to the passage of the Federal Reserve Act. He concluded by making a number of helpful suggestions and criticisms of the work of this chapter and expressed himself as being much pleased with the showing made by it during the two years of its existence.

President Crosier next introduced O. Howard Wolfe. Mr. Wolfe spoke upon the "Federal Reserve Act," not attempting to go into the detail of the bill, but outlining the purposes of the Act and the evils in our present system which it is intended to eliminate. He spoke of the importance of next year's course of study in which we will take up the subject matter of the Federal Reserve Act in detail, and of the fact that the clerks have practically as good an opportunity to learn the system of banking, to which this country is now turning after finding that the National Bank Act was fifty years behind the times, as their employers have. In conclusion Mr. Wolfe stated that he would be glad to answer any questions regarding the Act which might be put to him. A number of those present availed themselves of the privilege and an interesting discussion followed, during which several important points were explained in detail. Mr. Wolfe showed himself to be a close student of his subject and thoroughly conversant with every detail of the Act. His talk was just what was needed by us at this time, when every bank man is directly interested in the possibilities of the new system, and an inspiration to us to apply ourselves to this course of study in the fall, both for our own benefit and that of our employers.

After the discussion ended, a rising vote of thanks was tendered Mr. Allen and Mr. Wolfe, and Berkshire County Chapter concluded a pleasant year together.

When we open up the classes in the fall, it is the purpose of your executive committee to also have a general meeting once a month or six weeks. At these meetings we will endeavor to secure local or out-of-town speakers to address us upon a variety of business subjects. We look forward to a busy and prosperous year and hope to have a continuance of the support of each and every member which has been so freely accorded the officers in the past two years.

PORTLAND.

By Martin E. Fitzgerald.

ALTHOUGH the heat of summer is full upon us and thoughts of study and work have naturally, in a large measure, given way to a discussion by the members of plans for the vacation outings, the officers and committeemen of Portland Chapter are, nevertheless, busily engaged in planning for the autumn and winter season by arranging details as far as possible in advance, so that when the meetings and classes are resumed the work may go forward with greater expedition.

In the appointment of his committees for the coming season's work President Weber has displayed rare judgment and tact. This is particularly true of his appointees on the Educational Committee, all of whom have evinced a notable interest in the work of this department and are thoroughly versed in the study course. The chairman of this committee is Roy H. B. Nelson, Assistant Cashier of the Northwestern National Bank, who, whilst attending the Oregon State Bankers' Convention, at Medford, in

company with A. R. Stringer, Jr., the chapter's delegate, was active in seeking to popularize the Correspondence Course with the smaller banks. Mr. Stringer addressed the convention upon the subject of Correspondence Instruction as carried on by the Institute by mail, presenting the matter in such a masterly and interesting manner as to compel the attention and arouse the enthusiasm of his hearers. The following is an extract from his speech: "This system of correspondence education is conducted by a series of printed lessons and the accompanying questions and examinations; the answers to these questions and examinations are written and mailed to the correspondence chapter for correction and suggestions, thereby insuring greater care in their preparation. These same lessons, questions and examinations are used by classes in city chapters. All bankers taking this course are enrolled in the Correspondence Chapter, which has a constitution and by-laws governing it, the same as a city chapter. The governing body consists of a Vice-President of the American Bankers Association, the President of the American Institute of Banking, and three directors elected from the membership of the chapters at large. This arrangement brings the scattered members into closer touch and makes them feel that they are part of an active organization. . . . A great deal can be said for this correspondence work, but I wish to impress upon the minds of you gentlemen, and more especially upon the minds of you who have the care of and into whose hands has been committed the destinies of our splendid banking institutions, that this is a real work, a task that demands not merely your moral support, but a support that will encourage your employees to take this course and to stay with it. Moral support is a good thing as far as it goes, but it does not go far enough. Yearly you spend thousands and thousands of dollars advertising in more or less doubtful ways; but here, within your grasp, is a mode of advertising that works for you every hour and every day—in fact works overtime for you—and this advertisement is efficiency. How can you better serve your customers, and incidentally yourselves, than by having an efficient force of employees, men who know what to do and just how to do it, and who can be depended upon to do the right thing in the right place and at the right time? Gentlemen, consider this one point, if nothing else: that you not only create an efficient force by your encouragement, but you will save many a loss that must otherwise occur through the inefficiency of clerks that are mere machines, who do work, but know not what they do or why they do it."

SACRAMENTO.

By C. W. Lauppe.

SACRAMENTO CHAPTER is pleased to report an increase of ten members, which increases our total number to 113.

The study class has been the most active body in our organization for some time, as the members prepared for an examination on June 19th, yet their success remains to be seen.

SAN FRANCISCO.

By W. Gabriel.

THE Institute year is just closing and we feel gratified in announcing that five of our members have completed the work of two courses and successfully passed the examinations. The following are therefore entitled to Institute certificates: J. S. Curran, Humboldt Savings Bank; H. D. Friman, Savings Union Bank & Trust Company; Ralph A. Newell, First National Bank; F. J. Reiss, Anglo & London Paris National Bank; D. A. Stivers, Jr., Wells Fargo Nevada National Bank.

The following four passed the law examination and are entitled to one credit toward their certificate: H. Fleming, Savings Union Bank & Trust Company; James D. Lowsley, First Federal Trust Company;

William Luetge, Mission Savings Bank; L. C. McCann, Savings Union Bank & Trust Company.

The following three passed the banking and finance examination and are entitled to one credit toward their certificate: H. L. Darton, San Francisco Clearing House; H. L. Reuber, Wells Fargo Nevada National Bank; H. L. Schutten, Anglo & London Paris National Bank.

Some papers are yet to be corrected, which will probably increase our number of graduates for the year. The privilege of enjoying instruction under the University of California Extension Division is fast being realized by our members and we look forward to much larger classes during 1914-15.

Newell for Executive Council.

San Francisco is proud to announce the candidacy of Ralph A. Newell for the Executive Council. Our reasons and beliefs are well expressed in the following resolution, unanimously adopted at a regular meeting held June 11th:

WHEREAS, The American Institute of Banking will elect four members of the Executive Council during the convention at Dallas, Texas, September 22-24, this year; and,

WHEREAS, San Francisco Chapter deems itself large and active enough to ask for representation on the Council; and,

WHEREAS, Ralph A. Newell, an Institute graduate and an ex-President of our chapter, has always interested himself in the activities of our chapter and is a strong supporter of those principles upon which the Institute was organized; therefore be it

RESOLVED, That we, the members of the San Francisco Chapter, American Institute of Banking, realizing that Ralph A. Newell is a man well qualified to serve the American Institute of Banking in official capacity, do hereby nominate him for the Executive Council and heartily pledge our unanimous support.

In accordance we earnestly solicit the support of all members and assure you of the appreciation of the San Francisco Chapter.

1915 Convention.

Fearing some of our far-away members are perhaps unaware of the progress being made in our city by the Panama Pacific International Exposition Company, we take this means of bringing before you some of the facts:

The Exposition will be held in the year 1915, opening February 20th, closing December 4th, a period of 288 days.

On the day it opens it will represent an aggregate expenditure of about fifty million dollars.

It is doubtful if, anywhere in the world, could be found a site for a great exposition which surpassed or even equalled this in its combination of accessibility, scenic beauty and advantages.

It is a natural amphitheatre, with a floor about three miles long and from a third to a half mile wide, backed by low hills, flanked at each end by government reservations and fortifications, and fronting for its whole length on the beautiful blue San Francisco Bay.

The grounds comprise 635 acres, divided into three sections. In the center are grouped the eleven great Exhibit Palaces and Festival Hall. To the west, spreading fan-shaped along the bay, are located the Pavilions of Foreign Nations and the imposing buildings of the States, while still beyond these are the Live Stock Exhibit Buildings and Race Track, covering 65 acres, the Aviation Field, and the Drill Grounds, capable of showing ten thousand troops in drill at one time. To the east of the Exhibit Palaces lie the 65 acres devoted to the Amusement Concessions.

The progress of the Panama Pacific International Exposition is unparalleled in the history of expositions and is a forecast of the magnificence and comprehensiveness of the Exposition upon its opening day.

All of our members will appreciate that it will be an opportunity seldom afforded to visit such an Exposition. We want you all to be our guests, and

hope you will show your desire to attend by granting us the Convention for 1915.

SYRACUSE.

By Albert B. Merrill.

ONE of the most successful years that could be desired has been the reward of the efforts of the "boys" in Syracuse Chapter. This is due in a large degree to the undying enthusiasm of President Ames, the conscientious and relentless work of S. Howard Filer as chairman of the educational and speakers' committee, together with Chief Consul William A. Boyd, who has so efficiently directed the work of the board of consuls. In fact, the unconscious watchword of co-operation, together with the individual attention to our educational lectures on Friday nights, has caused our members to realize of what the A. I. B. consists.

During the past few weeks we have had some exceedingly interesting meetings. On April 24th, Arthur W. Loasby, President of the Trust & Deposit Company of Onondaga, gave a lecture, entitled "Credit Department and Commercial Paper." Appreciation of his time and effort, as well as his ability and good-fellowship, was shown by one of the largest and most enthusiastic audiences of the year. He gave to the "boys" in a most practical way the fundamental principles used in granting credit and dealing in commercial paper. As was said in the days of old, "He spoke as one having authority."

On May 1st, J. W. Truesdell, an expert in the subject with which he dealt, gave us an illustrated lecture on handwriting. To say the least, it was exceedingly interesting and drew a large and attentive audience.

On May 8th, F. W. Knight, Auditor of the First National Bank, lectured on individual bookkeeping. It is needless to say that this subject was especially interesting to the bookkeepers in the various banks as well as to the other members of our chapter. Mr. Knight is a man who knows how to handle such a lecture and give his ideas in a clear, concise, and forceful manner.

On the same night the election of officers for the coming year took place, with the following results: William A. Boyd, President; S. Howard Filer, First Vice-President; Arthur A. White, Second Vice-President; Albert B. Merrill, Secretary; Harry W. Parrett, Treasurer; Alfred L. Wise, Librarian. The new officers have the good wish of the whole chapter for the coming year.

On May 15th, Douglas E. Petit, Treasurer of the Onondaga County Savings Bank, gave us a very pleasing and interesting lecture on "Mortgage Loans and Investments." It was evident by the interest shown that Mr. Petit is always welcome at such a time, especially when handling such a subject.

We were also very glad to have as our guests that evening F. W. Ellsworth, Publicity Manager of the Guaranty Trust Company, and O. Howard Wolfe, of New York Chapter. Mr. Ellsworth gave the chapter some new ideas on advertising among different banks, while Mr. Wolfe talked on the Federal Reserve Act. We are always glad to have our friends come for a visit and we trust that it is a mutual feeling.

May 22 saw the close of the first complete educational course as outlined in the A. I. B. In the examination on practical banking held that evening under the direction of our good friend, A. W. Hudson, twenty men passed. This entitles fifteen, who had passed the previous examinations, to the Institute certificate. We consider this a pretty good record for the first year, and following are the names of those who worked hard for this honor: Roy E. Ashpole, William A. Boyd, John M. Egan, S. Howard Filer, Ernest R. Mulcock, Robert B. Porter, Arthur A. White, Frederick L. H. Holzer, Millard R. Ames, John G. Bryant, Clifford W. Fowler, Albert B. Merrill, Leland W. Palmer, Earl A. Van Deventer, Alfred L. Wise.

The last activity of the season was our chapter banquet, held at the Yates Hotel, May 28th. A royal

good time was the reward for everyone who attended. The "eats" were good and the speakers were excellent. President Millard R. Ames presided as toastmaster. Reverend Michael Clune offered the invocation and Honorable Louis Will, Mayor City of Syracuse, responded to the first toast. He spoke about the relation of the city government to the bankers. Mr. George E. Allen, Educational Director of A. I. B., delivered an excellent address upon chapter work and what it means to the young man.

Frank B. Walker, LLD., left a strong impression upon the gathering when he spoke of the young bank clerk and his relation to "Success." Our other guests of the evening were H. T. Owen and William H. Stackel, presidents of the Utica and Rochester chapters of the A. I. B., respectively. Each spoke briefly upon chapter work in their own city. The gathering broke up after singing "America."

"Lest we forget," five delegates are to represent Syracuse Chapter at the Dallas convention. The interest in this convention has been very keen and the men who represent us have, in every instance, been "live wires" in chapter activities and certainly deserve this opportunity of being our representatives. They are: William A. Boyd, Arthur A. White, Edward C. Kaufmann, Alfred L. Wise, and Robert B. Porter.

TOLEDO.

By H. A. Niehaus.

TOLEDO CHAPTER held its annual meeting and election of officers on Tuesday evening, May 25th, with a good representative turnout.

The men chosen to handle the affairs of the chapter for the following year are: President, Henry A. Niehaus, Second National Bank; Vice-President, C. H. Vischer, Spitzer, Rorick Trust & Savings Bank; Treasurer, Lester B. Martin, Security Savings Bank & Trust Company; Recording Secretary, John Streicher, Second National Bank; Board of Governors, F. A. Chapin, Second National Bank; Ben Raitz, Home Savings Bank; George Mills, National Bank of Commerce; E. C. Lingafelter, Spitzer, Rorick Trust & Savings Bank; C. J. Elsenerman, Commercial Savings Bank & Trust Company; C. Wisnioski, Dime Savings Bank; C. Hoff, Ohio Savings Bank & Trust Company; and Chas. Tanner, First National Bank.

Geo. Walbridge, Cashier of the National Bank of Commerce, gave a great deal of time and attention instructing the boys in the Banking course, which was highly appreciated. Mr. Eugene Rheinfrank was instructor in the law class.

WHEELING.

By William W. England.

WHEELING CHAPTER held its regular general and business meeting for June on Tuesday evening the 16th at the Wheeling clearing house room. We gave our "Second" debate this evening, which was very interesting, Messrs. Lane and Rietz having the affirmative and Messrs. Beneke and Martin the negative.

As our President, Robert Lee Boyd, has been elected delegate to the National Convention at Dallas, and as Wheeling Chapter appreciates the active part that Mr. Boyd has always taken to make our chapter a success the following resolution was unanimously passed:

WHEREAS, The President of Wheeling Chapter, A. I. B., was instrumental in organizing the chapter, and in his administration has kept it up to the high standard of efficiency it has held since its inception; the members of this chapter feel that he should be given an opportunity to use in a larger way to promote the welfare of the Institute, the ability and personality that has been such a factor in the success of this chapter; therefore be it

RESOLVED, That Wheeling Chapter, A. I. B., nominate and heartily endorse Robert Lee Boyd for the position of Treasurer of the A. I. B.



ROBERT LEE BOYD.

Needless to say we will appreciate the assistance of all the delegates in electing Mr. Boyd Treasurer of the A. I. B., and have no hesitancy in placing his name before the Association, as we feel that he will take an active part and be of great help to the National organization.

On the evening of June 25th the members of Wheeling Chapter will entertain their ladies with a chicken supper in West Alexander. As this is the first social affair to which the ladies have been invited it is expected that there will be a large attendance and that all will enjoy themselves.

BURYING THE HAMMER.

By T. P. Coombs.

WITH appropriate ceremonies, the Board of Trade of the city of Paterson, N. J., recently buried a huge thirty-foot hammer, symbolic of the "knocking" Paterson has received both from people in the city and from the outside. The act marked the beginning of a campaign to boost the city. Together with the hammer were buried three stuffed dummies labeled "Chronic knockers." The hammer was made of wood, covered with canvas. Its head bore this lettered injunction: "Quit knocking and boost." On the handle were the words "The hammer—bury it." Wouldn't it be a good idea for the Institute to emulate Paterson's example?

DIVIDENDS.

GEORGE W. WILKINSON, the new cashier of the First National at Amsterdam, N. Y., is an Albany Chapter man of high degree. Those dividends are coming out.—Chicago Banker.

